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**LED UKRAINE**  
LOCAL ECONOMIC DEVELOPMENT

# QUARTERLY PROGRESS REPORT

JULY 1, 2007 – SEPTEMBER 30, 2007

FOR THE LOCAL ECONOMIC DEVELOPMENT PROJECT

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## **ACRONYMS, ABBREVIATIONS AND DEFINITIONS**

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### *Acronyms and Abbreviations*

AIDAR – (US)AID Acquisition Regulation  
AUC – Association of Ukrainian Cities  
BAS – Business Attitude Survey  
B.A.T. – British American Tobacco  
CAD – Computer-aided Design  
CTO – Cognizant Technical Officer  
CURE – Center for Ukrainian Reform Education  
DIU – Donabas Industrial Union  
EBA – European Business Association  
EC – Expert Committee  
FDI – Foreign Direct Investment  
FAR – Federal Acquisition Regulation  
GDA – Global Development Alliance  
GIS – Geographic Information System  
GoU – Government of Ukraine  
ha – hectare(s)  
IF – Innovation Fund  
IFC – International Finance Corporation  
IPZUS – Ukrainian Legal Aid Institute for Rural Citizens  
IMC – Implementation Management Committee  
KIIZ – Khryplin Industrial Zone  
LACs – Legal Aid Centers  
LED – Local Economic Development  
LGSO – Local Government Support Organization  
M&E – Monitoring and Evaluation  
MOED – Municipal Office of Economic Development  
MOU – Memorandum of Understanding  
MSUE – Michigan State University Extension  
NGO – Non-governmental Organization  
OSCE – Organization for Security and Co-operation in Europe  
SMEs – Small and Medium Enterprises  
SWOT – Strengths, Weaknesses, Opportunities, Threats  
TACIS – Technical Assistance for the Commonwealth of Independent States (Program)  
UAH – the currency code for the Ukraine Hryvnia  
UNESCO – United Nations Education, Scientific and Cultural Organization  
USD – the currency code for the U.S. Dollar

### *Definitions*

City Rada – City Council  
InvestUkraine – Ukrainian Agency for Foreign Investment Promotion  
Oblast – Administrative territorial division of Ukraine; 24 total  
Raion – Small territorial unit of Ukraine; 490 total  
ISO 9000 – a set of standards for quality management systems maintained by the International Organization for Standardization (ISO) and administered by certification bodies

## QUARTERLY PROGRESS REPORT

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### A. Project Purpose and Approach

*Purpose.* Economic successes take place daily at the local level and the goal of the Local Economic Development (LED) Project is to help Ukrainian cities strategize and organize their economic potential to attract investment, promote business development, and produce more jobs in a democratic manner and on an on-going basis.

*Approach.* Local economic development is a lasting process of strategic partnership between business, local government, and non-governmental actors who help make their cities economically robust today, tomorrow and in years to come. Through a transparent, focused, and organized process the LED project works hand-in-hand with these stakeholders in developing and implementing realistic strategic plans for local economic development. This involves:

- intensive planning work to analyze cities' strengths, weaknesses, and economic assets to set long-term objectives and create strategic economic development plans approved by city councils;
- institutional strengthening for city administrative units charged with implementing the tasks articulated in their strategic plans;
- financial assistance through an innovation fund to facilitate the cities' implementation of at least one high priority task under their strategic plans;
- legal advice on aspects of strategic plan implementation and general support for improvements to the legal and regulatory environment for LED;
- creation of a cadre of Ukrainian consultants who can continue to support implementation activities in LED cities and help other cities with strategic planning;
- and extensive training in promoting investment (primarily foreign).

*Expected Results.* When LED is finished, cities with which it worked and cities that studied its work through the project's communication campaigns and toolkits will:

- know their competitive business assets;
- be developing those assets in a concerted, intelligent, and continuous effort;
- be ready to offer those assets to investors, both foreign and domestic; and
- be thinking about constantly adding value to the business climate of their cities to ensure greater and greater economic dynamism and more jobs through ever-increasing investment.

The Project currently works directly with 37 target cities and touches tens of others through FDI training, online educational materials, and economic development strategic planning services provided by LED's local consultants. A map of Ukraine with LED's main partner cities is located in Annex A. By the end of the Project, LED will have directly assisted at least 40 target cities.

## B. Significant Events and Achievements

- LED strategic planning launched in four (4) new “target” cities in Eastern Ukraine including Poltava, Artemivsk, Romny, and Alchevsk. In Romny, the strategic planning process is part of a collaborative effort with EU’s project on Sustainable Community Development where LED will be responsible for carrying out economic development strategic planning for the city, while the EU Project complements LED’s work with a strategic plan for infrastructure improvement in the city and in the territory around the city. In Alchevsk, the creation of a strategy for economic development will be part of a broader public-private alliance between the city, USAID, and the Donbas Industrial Union, which is expected to allocate up \$3,000,000 toward strategy implementation.
- Pervomaysk Economic Development Strategic Plan unanimously adopted by the City Council in the target city of Pervomaysk, bringing the total number of target cities with strategic plans adopted into law to 26.
- Economic Development Strategic Plans adopted by city councils in the first three non-target cities of Rubizhne, Koryukivka, and Kakhovka, bringing the total number of target and non-target cities with adopted strategic plans to 29.
- Active strategic plan implementation in LED partner cities underway with aggregated results as of the middle of the quarter yielding: \$238 million in investment, 10,000 new jobs, parcels of land allocated for investment in at least 23 cities, investment attraction programs launched in at least 20 cities, new or upgraded web-sites featuring business and investment launched in at least 19 cities, tourism products and/or infrastructure developed in at least 14 cities, public/private collaboration programs initiated in at least 23 cities, job exchange databases developed and human resource development activities being carried out in at least 18 cities, local airport development strategies being worked on in at least 10 cities, and GIS-based electronic maps developed or under development in at least 16 cities.
- Conceptual designs and pre-feasibility studies for new industrial sites in LED partner cities of Dzhankoy and Vinnytsia completed.
- Regional Airport Development Workshop held for LED partner cities to discuss opportunities for development of regional airports and their growing role in the current conditions of cities’ development strategies.
- Review of regulations and provision of legal recommendations for local economic development initiatives in five LED partner cities completed.
- Computer equipment and applications provided to the newly-created Strategic Development Department in the city of Luhansk and to the Board of Economy of the Executive Committee of the Pavlohrad City Council, the two bodies responsible for strategic plan implementation in their respective cities, through the LED Innovation Fund.
- Workshop 2 “Working Smartly and Tactically – Planning for Success”, Workshop 3 “Industrial Zone – Preparing and Customizing the Product” and a study tour to the Czech Republic, one of the best FDI performers in Europe, held for participants of the third cycle of Training for FDI Professionals.
- A new section, *Virtual tours/panoramas*, added to the project web-site with interactive 360 degree panoramas of tourism and investment sites in LED partner cities of Dzhankoy, Kamyanyets-Podilski, Kaniv, and Novohrad-Volynsky.
- Eleven (11) news stories on LED activities and economic development progress in LED partner cities published.

- Five issues of *The LED Monitor* e-newsletter published and sent to 268 LED professionals throughout the country.
- At least 26 articles on LED published in the printed press and in on-line news sources.
- LED's strategic planning work with the city of Ivano-Frankivsk was recognized and featured as a case study in a new publication by the Cities Alliance titled *Understanding Your Local Economy: A Resource Guide for Cities*. Although Ivano-Frankivsk was highlighted in the publication, the strategic planning methodology is the same one used in all participant cities.

### **C. Task Activities**

*Contractually, LED's activities are divided into seven distinct yet interdependent activity areas or tasks: 1) Participating City Selection; 2) Building Ukrainian Capacity; 3) Strategic Plan Development; 4) Implementation of LED Strategic Plans; 5) Legal and Regulatory Framework; 6) Regional Economic Development Support; and 7) Information Dissemination. A brief summary of key components is presented for each task.*

*Task 1: Participating City Selection Process - Develop a strategy for selection of participating cities in a competitive and transparent manner and obtain strategy approval from USAID. Select no less than 40 target cities for project participation. Select the final 13 cities from the southern and eastern regions of Ukraine. Develop "graduation" criteria so that cities may be graduated from the program and new cities admitted.*

#### *Wave 4 City Selection*

In late June, LED received approval from USAID to add the city of Poltava to its list of target cities. As oblast capital with a population of 310,000, Poltava is an active member of the Association of Ukrainian Cities and ranked among the top 10 cities in the country with respect to production and consumption performance potential in the city competitiveness study undertaken by the Institute of Reforms for LED. Poltava also has a diverse industry base and was recommended to LED by the IFC as a city with a significant number of creative and transparent small businesses. The city's current leadership has actively pursued the Project's partnership, and LED believes there is good political will for reform and economic growth in the city. The selection of Poltava brings the total number of Wave 4 target cities to 8, as committed to in the Year 3 Work Plan.

#### *Wave 5 City Selection*

The Project plans to select as least five (5) target cities to participate in the Fifth and last Wave of LED strategic planning. During the quarter, USAID approved the city of Romny in Sumy Oblast to be a Wave 5 LED partner. LED's work in this city will be part of a cooperative program with the EU's project on Sustainable Community Development and is similar to cooperation in the city of Izyum (please note amended spelling) where LED is responsible for carrying out economic strategic planning for the city, while the EU Project complements LED's work with a strategic plan for infrastructure improvement in the city and in the territory around the city. The joint projects in Izyum and Romny constitute the first cooperative activities in municipal development between the EU and USAID. Strategic planning in Romny will be intensive in the next quarter.

USAID also approved the Project's work in the city of Alchevsk as the second target city of Wave 5. This work is part of a broader alliance USAID is forging with the Donbas Industrial Union regarding assistance to Alchevsk. On September 14, 2007, USAID signed a trilateral Memorandum of Understanding with the City of Alchevsk and the Donbas Industrial Union ("DIU") whereby DIU would make available \$3,000,000 to the benefit of the City of Alchevsk, and USAID would provide technical assistance to ensure that those funds were spent most productively. This form of public/private partnership (GDA) is seen as a good model for localized development because a number of Ukraine's cities share the situation where there is a dominant employer, and if those employers can share the expenses of community development, that will help make up for budgetary restraints. It is anticipated that a number of USAID projects will ultimately contribute technical assistance pursuant to the MOU. At the moment, however, LED is scheduled to be the vanguard project, charged with facilitating the city's creation of a strategy for economic development. LED met several times with representatives of the city and with DIU's fund manager, and the economic strategic planning process will begin at the end of October.

A similar arrangement may be entered into with DTEK, a vertically integrated energy firm based in Donetsk. On July 17<sup>th</sup>, DTEK hosted the Project, USAID representatives and mayors of seven Eastern cities in which DTEK has facilities, to a roundtable in Donetsk. The Project made a presentation to the mayors, as did one of project's great champions, Mayor Rimski from Kupyansk. All of those present at the meeting voiced great interest in going forward with economic strategic planning in their cities, and following the meeting, one of the Project's LED specialists, toured some of the cities and spoke to officials and businessmen in those communities. It is anticipated that DTEK and USAID will sign a Memorandum of Understanding, whereby DTEK agrees to finance strategic planning activities and implementation in its cities, and the Project provides the necessary technical assistance.

The Project is investigating other city candidates for Wave 5 work and will propose additional target cities to USAID next quarter. The project has also begun selecting non-target cities for the Wave 5 strategic planning effort. Non-target cities are those municipalities that did not fully meet LED's selection criteria for target city status but still stand to benefit greatly from implementing the Project's methodology for local economic development. Strategic planning in these cities is facilitated by LED-trained consultants rather than in-house experts. Selected non-target cities by the end of the quarter included: Mena (Chernihiv Oblast), Shepetivka (Khmelnysky Oblast), Khmelnytsky, Khmilnyk (Khmelnysky Oblast), Ukrainka (Kyiv Oblast), Pervomaysk (Kharkiv Oblast), and Chuhuiv (Kharkiv Oblast). Due to their low profile status, no USAID approval is needed for these cities.

*Task 2: Building Ukrainian Capacity – Provide appropriate assistance to: 1) develop ongoing capacity within the local government to utilize state-of-the-art management techniques and technologies collectively known as the LED Toolkit; and 2) develop a qualified and trained cadre of Local Government Support Organizations with at least 30 individual LGSO trainers to become the primary providers of technical assistance.*

#### Sub-task A: Municipal LED Toolkit



The LED Project is collaborating with the Extension Service of Michigan State University (MSUE), the Global Urban Studies Program of Michigan State University and the Kiev Economic Institute, Economic Education and Research Consortium, to review and adapt existing U.S.-based local economic development tools for inclusion into Volume II of the LED Toolkit. This quarter, MSUE concluded its submission to LED with 11 total tools. LED has reviewed, edited and approved these tools. The topics of the tools generated in cooperation with the above-named institutions are as follows:

1. Community and Economic Development Building Blocks Tool;
2. Community Economic Development Preparedness Index (CEDPI);
3. First Impressions: A Tool for Community Assessment and Improvement;
4. Formal Business Retention and Expansion (BR&E) Survey;
5. Capacity in the Global Economy: Assessment and Steps to Take;
6. Small Business Incubators;
7. The Municipal Investment Promotion Website;
8. Creating Special Places: Tourism-Based Development for Local Economic Development Outcomes;
9. Cultural and Heritage Tourism;
10. Strategies for Economic Development Partnerships with Institutions of Higher Learning; and
11. Employer Assisted Housing.

#### Sub-task B: Building Capacity of Local Government Service Organizations (LGSOs)

This quarter saw the adoption of the first three Strategic Plans in LED's non-target cities, where the strategic planning process was fully facilitated by Project-trained LGSO consultants. The work in Rubizhne (Luhansk Oblast) was carried out by Natalia Boyko from the Luhansk Agency for Regional Development, who saw the LED Strategic Plan adopted on September 5, 2007. In Kakhovka (Kherson Oblast), it was Vasyl Kashevsky from the Volyn Resource Center who helped the city design its Economic Development Strategy, which was adopted as a municipal ordinance on September 17, 2007. The LED Strategic Plan in Koryukivka was unanimously adopted on September 18, 2008 as a testimony to the professionalism of Valeriy Kokot from the Institute of Local Development of Chernihiv Region, who managed to garner widespread agreement on the Plan's goals and objectives. LGSO consultants in nine other non-target cities, selected along with the Fourth Wave of LED's target cities, are still in the process of developing Economic Development Strategic Plans. A tenth city – Trostyanets – was also added to the Wave 4 non-target group this quarter. In addition, LED selected seven new non-target cities as part of the Wave 5 selection process. Although the cities and the consultants who will help them in their economic development strategic planning efforts have been selected, work of these new teams will not begin until next quarter. Meanwhile, a small group of LGSOs continued to work with the Project's LED Advisors in Wave 4 and the new Wave 5 target cities. Ihor Hirschak from the Regional Branch of the Association for Ukrainian Cities was the first of his Wave 4 colleagues to celebrate the adoption of the Economic Development Strategic Plan in Pervomaysk. A number of other cities from this wave are also close to the end of the planning process. A list of all consultants active in strategic planning and their client cities is included below.

City Category	#	City/Oblast	LGSO Consultant
Wave 4 Target Cities	1	Sumy, Sumy Oblast	Halyna Vasylchenko
	2	Konotop, Sumy Oblast	Halyna Vasylchenko
	3	Nova Kakhovka, Kherson Oblast	Volodymyr Proskurnin
	4	Izyum, Kharkiv Oblast	Volodymyr Pismak
	5	Artemovsk, Donetsk Oblast	Sergiy Tkachenko
	6	Lozova, Kharkiv Oblast	Natalia Boyko
	7	Poltava, Poltava Oblast	Iryna Kovra
Wave 5 Target Cities	1	Romny, Sumy Oblast	Halyna Vasylchenko
	2	Alchevsk, Luhansk Oblast	Natalia Boyko
Non-Target cities attached to Wave 4	1	Kremenets, Ternopil Oblast	Ihor Hirchak
	2	Kolomyia, Ivano-Frankivsk Oblast	Halyna Vasylchenko
	3	Mogyliv-Podilskiy, Vinnytsia Oblast	Oleh Levchenko
	4	Vyshneve, Kyiv Oblast	Viktorya Pogorelova, Iryna Kovra
	5	Obukhiv, Kyiv Oblast	Viktorya Pogorelova, Iryna Kovra
	6	Tsyurupinsk, Kherson Oblast	Volodymyr Proskurnin
	7	Irpin, Kyiv Oblast	Viktorya Pogorelova, Iryna Kovra
	8	Lysychansk, Luhansk Oblast	Volodymyr Pismak
	9	Yasinovata, Donetsk Oblast	Sergiy Tkachenko
	10	Trostryanets, Sumy Oblast	Halyna Vasylchenko
Non-Target cities attached to Wave 5	1	Mena, Chernihiv Oblast	Valeriy Kokot
	2	Shepetivka, Khmelnytsky Oblast	Vasyl Kashevskiy
	3	Khmelnytsky, Khmelnytsky Oblast	Oksana Fedorovych
	4	Khmilnyk, Vynnytsya Oblast	Viktorya Pogorelova, Iryna Kovra
	5	Ukrainka, Kyiv Oblast	Viktorya Pogorelova, Iryna Kovra
	6	Pervomaysk, Kharkiv Oblast	Volodymyr Pismak
	7	Chuhuiv, Kharkiv Oblast	Vasyl Kashevskiy

During the reporting period, LED trained and added two new consultants to its LGSO team. Ivan Mykulyak, a specialist in industrial architecture from Kyiv, will provide services related to conceptual design and technical due-diligence of industrial zones in LED partner cities. Olena Butova from Chuhuiv will support ramped-up LED strategic planning efforts in Eastern Ukraine. The contract details of the new consultants have been added to the “Consultants” page of the LED website.

*Task 3: Strategic Plan Development – Facilitate the development of LED strategic plans in at least 35 cities and disseminate lessons learned to other cities. A successful approach to development of Strategic Plans includes: 1) The Mayor and the City Council establish a permanent LED Steering Committee of elected officials and a representative cross-section of community and business leaders to supervise strategic plan preparation and implementation. Based on a Vision Statement that describes the desired quality of life for citizens, sub-committees develop the plan’s components. 2) The city establishes a Municipal Office of Economic Development, which becomes the implementer of municipal commitments for LED. 3) Strategic Plans are adopted as municipal ordinances by City Councils.*

The LED Project uses an efficient strategic planning methodology based on focused public-private dialogue that results in the following outcomes over the course of about five months:

- 1) **Introductory Meeting** - Project launched: letter of intent between the LED Project and the city signed, schedule agreed upon, roles and responsibilities assigned, Expert Committee created, works on the Community Profile and the Business Attitudes Survey (BAS) initiated.
- 2) *Between Introductory Meeting and the First Expert Committee Meeting* – Community Profile and BAS completed.
- 3) **First Expert Committee Meeting** – Community Profile and BAS introduced and discussed, LED critical issues selected based on completed analyses, strengths and weakness of the city's economic position identified.
- 4) *Between First and Second Expert Committee Meeting* – Precise description of the critical issues completed, SWOT analysis completed, menu of goals and objective prepared based on analytical findings.
- 5) **Second Expert Committee Meeting** – LED goals and objectives identified based on previous analysis, project ideas for each goal identified.
- 6) *Between Second and Third Expert Committee Meeting* – Detailed description of LED goals and objectives and initial project draft completed.
- 7) **Third Expert Committee Meeting** – Detailed projects for each critical issue and goal designed, project work plans drafted.
- 8) *Between the Third and Fourth Expert Committee Meeting* – Full Strategic Plan drafted.
- 9) **Fourth Expert Committee Meeting** – Draft Strategic Plan presented to an enlarged community of stakeholders, feedback obtained, Strategic Plan Implementation Management Committee formed, principles of LED Project implementation assistance agreed upon.
- 10) *After the Fourth Expert Committee Meeting* – Draft Strategic Plan refined according to feedback from the public, finalized, and submitted to the City Council for adoption as a municipal ordinance.

Recently, the Cities Alliance, a consortium of 10 bilateral donors, featured portions of the Project's strategic planning methodology as applied by the city of Ivano-Frankivsk in its new publication titled *Understanding Your Local Economy: A Resource Guide for Cities*. The publication both recognizes LED's strategic planning methodology as a best practice and serves to share it with the global audience. An update of what stages of the strategic planning process were completed by LED's latest group of cities during the quarter follows.

#### *Wave 4 Target Cities.*

In *Pervomaysk*, LED completed the Economic Strategic Plan on August 3 and on August 31 the Pervomaysk City Council unanimously adopted the Plan as a municipal ordinance. The cities of *Sumy*, *Izyum* and *Konotop* also completed the strategic planning process during the quarter; their radas are scheduled to consider the plans for adoption on October 10, 26 and 31 respectively. The *Nova Kakhovka* Expert Committee held its Third Meeting on July 25 and prepared a full draft of the Strategic Plan for presentation to the public at its next meeting. By the end of the quarter, the city of *Lozova* was almost half way through the strategic planning process, having conducted the Business Attitudes Survey and Community Profile, completed the SWOT analysis, and identified critical issues, goals, objectives and draft projects for the Strategic Plan. LED also initiated strategic planning activities in *Poltava* and *Artemivsk* with

the Introductory Meeting being held in Poltava on July 24 and the First and Second Expert Committee Meetings in Artemivsk on August 2 and September 20, 2007 respectively. Completed LED Strategic Plans, Community Profiles, and Business Attitudes Surveys of partner cities are available on the LED website.

#### *Wave 4 Non-target Cities.*

Since strategic planning activities in non-target cities are led by LED's LGSO consultants as part of LGSO capacity building, strategic planning progress in non-target cities was reported under Task 2, Sub-Task B.

#### *Wave 5 Target Cities.*

In September, LED launched activities in its first two cities of the Fifth and final Wave. On September 6, LED signed a joint Letter of Intent with the Romny City Council and the EU Sustainable Community Development Project to start up a cooperative economic and infrastructure development initiative. Another trilateral agreement was signed between the City of Alchevsk, USAID and the Donbas Industrial Union on September 14<sup>th</sup> and provided for LED strategic planning technical assistance to the city.

*Task 4: Implementation of LED Strategic Plans – Review Strategic Plans for actions to be taken by local government, business interests, and other groups and provide technical assistance and/or co-funding for implementation of critical action components. Use the Innovation Fund for action implementation funding only when the requesting city provides no less than 60% matching of the funds.*

During the quarter, LED conducted a survey among partner cities to obtain key aggregate results to date; they include: **\$238 million in investment, 10,000 new jobs**, parcels of land allocated for investment in at least 23 cities, investment attraction programs launched in at least 20 cities, new or upgraded web-sites featuring business and investment launched in at least 19 cities, tourism products and/or infrastructure developed in at least 14 cities, public/private collaboration programs initiated in at least 23 cities, job exchange databases developed and human resource development activities being carried out in at least 18 cities, local airport development strategies being worked on in at least 10 cities, and GIS-based electronic maps developed or under development in at least 16 cities.

In support of strategic plan implementation, the Project has identified key issues and opportunities common to a number of partner cities to address in collective roundtables and use the information gained to tailor assistance to meet the needs of individual cities, where feasible. The first such roundtable was held on July 4 - 5 to address the topic of regional airport development, an opportunity common to 17 of the Project's partner cities. Regional airport specialist Ladislav Klima, a consultant for the East Bohemian Airport in Pardubice, Czech Republic in charge of supervising development of the airport's civilian and commercial operations presented a number of strategies for how regional airports are used for commercial and economic purposes that further community economic growth. The roundtable served to catalyze discussion and thought by several cities that are sitting on potentially valuable assets. Participants discussed barriers to airport development under Ukrainian legislation and possible ways to overcome them. After the roundtable, Mr. Klima met individually with officials of several cities including Rivne, Chernivtsi, and Ivano-

Frankivsk to discuss their specific needs, concerns and obligations regarding airport use. Additional details on the roundtable can be found in the article titled *Roundtable Emphasizes Relationship between Efficient Use of Airports and Investment Activity in Regions* in Annex C of this report.

The Project requests that its partner cities provide monthly and quarterly reports of the work they are doing to implement their strategic plans. Not all cities are able to comply with this request due to time pressure; however, information about those cities that provided progress reports this quarter appears below.

#### *Implementation Progress in Wave 1 Cities.*

*Ivano-Frankivsk.* The City of Ivano Frankivsk has been steadily implementing the tasks listed in its Economic Development Strategic Plan. Beginning with the strategic goal of improving the business climate for investment and business growth, the City has completed an inventory of 95% of the Khryplyn Investment and Industrial Zone (KIIZ). As part of the effort to develop the KIIZ, a territory map was made and a geodetic survey of the zone was performed. Undertaking a second approach to improving the City's business climate, Ivano-Frankivsk, as of October 1, 2007, has formal sister-city ties with 16 foreign cities and partner relationships with 26 cities from abroad. Over the first 9 months of 2007, 25 foreign trips were organized and 32 international delegations visited the city. Active exchange programs are maintained between children and teenage groups from the Polish cities of Chszanow, Opole, Rybnik, Mielec, Ochota District in Warsaw, Lithuanian cities of Trakai and Antakalnsk, and in June 2007, the City signed a Letter of Intent to establish partner cooperation with the city of Swidnica (Poland).

Finally, an equally important milestone took place regarding business environment and regulation. In a continuing effort to monitor and streamline the efficiency of the business permitting process, during 9 months of 2007, the Permit Center received 3,466 incoming packages and issued 2,839 packages, including 367 refusals. During the period, 5,199 consultations were provided.

Regarding the goal of investment attraction and city tourism development, Ivano Frankivsk presented its economic, tourism, investment, and cultural potential in the Polish cities of Chszanow, Swidnica, Rzeszow, Lublin, and Rybnik, in the Romanian cities of Baia-Mare and Brasow, in the Latvian city of Yelgava, and in the Lithuanian cities of Vilnius and Trakai. Further, in cooperation with the West Ukrainian Foreign Investment Promotion Agency, a "Business Ivano-Frankivsk Guide" was published. The guide contains information on the city industrial enterprises, banking institutions, hotels, and travel agencies. It was published in two languages, and the Ivano-Frankivsk Guide CD was issued in 4 languages. In addition, planning for an investment fair in November was accomplished.

A separate and particular strategic objective of the city is to increase its tourism industry. Pursuant to that goal, a number of activities were undertaken in compliance with the Tourism Development Program. For instance, private city travel agencies participate on a regular basis in tourism exhibitions, fairs and forums in Ukraine and abroad. The City organized exchange visits for children and youth tourist groups from many cities. "Ivano-Frankivsk 1662-2007. Through the Centuries", a tourist information publication, is now being prepared. A CD on Ivano-Frankivsk with a video on tourism opportunities of the city was made. A city map was placed in the city downtown to improve the tourist information environment. Two bowling

clubs were opened in August, and a paintball club was opened, all part of a plan to offer tourism products that will induce tourists to stay over on their travels to the mountains. Additionally new seasonal tourist flights to Montenegro and Turkey were opened, pursuant to efforts to internationalize Ivano Frankivsk's airport.

Another strategic objective is workforce improvement and development. Towards that end, joint meetings of the City Human Resources Center, directors of light and machine building sector enterprises, and directors of vocational schools were conducted in September 2007 to discuss training and supply of skilled labor to the city's industrial enterprises. Also, new software to help assess the current and projected 2012 qualified work force needs of the city labor market was installed at the city employment agency. A schedule of visits of city employment agency representatives to high schools to perform professional orientation for senior students was prepared. A job vacancy fair was held in the Trade Vocational School, in which 170 graduates and 12 employers offering real jobs participated. In a different setting meant to promote rational job market preparation, a higher education fair was held, at which representatives of 25 educational institutions of various certification levels recruited potential students from more than 2,000 senior pupils. Senior school students were provided with consultations, and more than 180 persons were tested with computer-based methods.

Finally, reaping the real effects of investment attraction, the City witnessed the arrival of Delphi, an American company, which began assembling plates for automobile electronic equipment, accounting for 70 new jobs. Presently Delphi's manufacturing facilities are expanding and an additional 200 people will be employed by the end of the year. To pursue this goal, workers are being trained in the Czech and Slovak Republics. In addition to this, Rodon Open Joint-Stock Company (OJSC) started to manufacture electronic devices, and took on 110 new workers. These employees are trained by Polish experts, and receive their certification in Poland.

Ivano Frankivsk's ambitious economic development strategy also contains objectives for communal services, and the City has been doing much work to implement the strategy in this area. For instance, over the 9 months of 2007, the reconstruction of communal services networks was performed according to a prepared schedule, as follows: 3.6 km of heat distribution networks were replaced with preinsulated pipes and 1.23 million UAH was spent. A second approach, aimed at informing the public on solid waste removal and recycling issues, saw the preparation of a number of information materials, such as information bulletins, booklets, advertisement flyers, paint pictures, and comics. Information dissemination was performed in a number of ways, e.g. talking to residents, public discussions, meetings with company workers, and public campaigns such as: "Press the Package", "Plastics for Your Roof", "Disposer in Every House", "Clean Community" and "Clean Yard" City Competitions, and "Clean City through Childrens' Eyes" competitions for pupils. In addition, project implementation and implementation of the planned tasks were covered by media including press. The campaign enabled dissemination of information about the necessity of sorted solid waste collection to more than 100 thousand city and oblast residents.

Concrete accomplishments in the area of waste management include an increased number of landfills from 7 to 18 and an increased number of specialized solid waste collection sites, now 44. A plan to construct 150 such sites is being prepared. Also, a 719,000 UAH contract with Ekotekhhkomplekt. Ltd., the winner of a tender, was concluded to supply 336 solid waste

containers, including 201 containers for regular solid waste collection and 135 containers for sorted solid waste collection.

In regard to the City's streets, over the initial nine months of 2007, 1,493 existing lamps in 80 streets were replaced with sodium energy saving lamps. The cost of this effort was 1,841.6 thousand UAH.

Also, as of September 30, 2007, 1.8 million UAH was spent on installation of the co-generation unit with 1.4 MWatt capacity. These funds were used for a payment advance on the co-generation unit itself.

*Chortkiv.* The City of Chortkiv reports that economic development is moving forward in the community. Proof of this is that in Ternopil Oblast, excepting Ternopil itself, Chortkiv holds first place in measured rate of building construction in 2007.

Currently the City is doing a great deal to ensure future economic growth to match 2007's accomplishments. The Department of Economic Development (MOED) and Deputy City Mayor On Economic Issues prepared a presentation of Chortkiv's "Western Industrial Zone." The presentation is in both electronic and hard copy form. In May, the deputy city mayor and a MOED staffer gave this presentation to a delegation consisting of the director of LTP Invest (Czech Republic), a deputy director of Invest Ukraine, and an account manager of Invest Ukraine, who were visiting western regions of Ukraine for prospective investments. Subsequent to that presentation and during the reporting period, LTP Invest's technical director and architect made a second technical call to study possibilities in the Western Industrial Zone. It is hoped that once elections in the country are held and the political environment stabilizes, LTP will make a final visit to the industrial zone in anticipation of negotiations to place investments in Chortkiv. Similarly, Tebodin Ukraine Co., which is seeking sites for an electro-techno equipment factory, evaluated Chortkiv and, according to preliminary drafts of the company's report, rated the City third out of nine investment proposals. Tebodin Ukraine is expected to come back to Chortkiv in the next two quarters.

One ambition of the City is to make its downtown more tourist-interesting and presentable. In pursuit of this goal, the open market needs to be moved from the town center, and the city tendered a new site of land for the construction and leasing of the market-place. The winner of the tender will create a new, more modern and clean outdoor market, and will also renovate and restore the site of the former market territory by planting greenery and flowerbeds, and by placing benches and other park-like enhancements.

The city also prepared tender documents for sale of a site of 3,000 sq.m in the city's center for construction of a filling station, of a trade center, of a café and motel, and of a drugstore. Similarly, preparation of documents for a site on Nezalezhnost Street with area of 6,600 sq.m. is now being completed, subject to sale through auction and construction of 'Chortkiv Business-Center' (hotel complex, bank and office premises). This site is in the micro district 'Kadub' (multistory building district).

Finally, the City has been aggressively improving its communal resources, particularly in the area of water services. For instance, the city expanded its water tower assets by buying water towers from surrounding areas. This increase in capacity has resulted in economies of scale and reduced the price of water to consumers. In addition, this increase has allowed for an increase in service capacity so that 24-hour high-quality water supply to high-rise buildings

of one micro district will be realized. Other allocations of funds to water resources have been approved by the Ternopil Oblast as part of Chortkiv's 2008 budget, and if the projects go forward, the city's water resources will be much enhanced.

*Kalush.* In this quarter, Kalush reported on its efforts in the area of land resource identification and of communal services. In compliance with requirements of the Strategic Plan for Economic Development, the city completed its registration of all communal property. In addition, as part of broader negotiations, the city and representatives of the KarpatyNaftoKhimProm Company exchanged information about and discussed available land plots and buildings on the territory of the industrial zone of the city, which land plots are expected to be sold or abandoned by the KarpatyNaftoKhimProm Close joint-Stock Company (CJSC). The industrial zone has potential for other investors, and the City is working to discover which sections can be offered for development. In the area of community services, the city has gone forward with designing an overall program for improvement of the city's streets, as called for by the Strategic Plan for Economic Development. In this context, an inventorization of roads and a description of needed repairs is in progress, identification of traffic flow issues and traffic directional solutions is underway, and the city has developed a database of modern and innovative vendors for road improvement materials and services.

#### *Implementation Progress in Wave 2 Cities.*

*Drohobych.* The City of Drohobych took several concrete steps to realize their strategic objectives this quarter. In the area of tourism development, the Executive Committee of the City Rada passed a resolution "On Creating the Steering Committee on Tourism Development Acting under the Executive Committee of the Drohobych City Council". This was a powerful step in the direction of putting together an organized approach to tourism in the Drohobych territory. More concretely, at the cost of 80 thousand UAH allocated from the city budget, a Vezha Ratushi [*City Hall Tower*] is at the implementation stage. And finally, the Vezha Ratushi tourist route was presented to international guests consisting of official delegations from partner cities invited to celebrate the Drohobych City Day on September 21, 2007.

Concerning the goal of investment attraction, the Department for Land Management prepared a list of land plots suitable for business activities. To streamline procedures for investment attraction, the 2007 Foreign Trade and Promotional Activities of the Drohobych City Executive was replaced by preparations for the Drohobych Day - 2007 Program.

Finally, the goal of building and strengthening the SME sector has been furthered by the efforts of the Department for Economy and Business Development, which regularly prepares and disseminates universally accessible information about business entities that operate on the territory of the city, including industrial enterprises, construction companies, trade (including markets, drug-stores) enterprises, catering and domestic services companies, and banks and insurance companies.

*Kovel.* In this quarter, the City of Kovel worked on two tasks identified in the category "Creating a Favorable Investment Environment", a strategic objective of the Economic Strategic Plan. The first accomplishment was that the City opened its Permit Center, which started issuing permit documents according to a one-stop approach. The procedures for issuing permit documents are now being improved in compliance with current legislation.



The second accomplishment was that the city, in accordance with its general approach of organizing efficient and organized use of real estate, prepared its Housing Construction Development Program, as coordinated with the General City Plan. Finally, the City Rada approved land inventory data by resolution. The resolution approves the Program for Land Reform Development in the City of Kovel for 2007. The Program envisions a specific amount of funds to spend for an inventorization of lands.

A second strategic objective of the City was to optimize the openness and breadth of the city information system. In that regard, the City Department of Land Resources began to prepare its electronic cadastre list.

*Brovary.* The city of Brovary had particular success with its efforts to attract investment. As part of its strategic objective to improve the image of Brovary both in Ukraine and abroad, the city distributed a two-language Investment Passport during the celebration of the City Day in the 3rd quarter of the current year. Results of this and other efforts at investment promotion are already evident, as 25 investment projects totaling 65 million UAH in value are in process.

Another key objective of Brovary's Economic Strategy is to prepare and improve the city's infrastructure both to better the lives of citizens and to attract more investment and jobs. Capital repairs were accordingly performed on the following items: the crossings of the Andreyev and Serov streets, Nezlezhnosti Boulevard and Chernyakhovskyi Street, Kutuzov and Krasovskyi streets. Capital repairs were also performed on some parts of Osypov, Starotroitska, Budivelnna, Zelena, B.Khmelnyskyi, Gastello, Kutuzov, Engelsa, Chkalov, Dymyrov, and Kirov streets. Capital repairs of the Nezalezhnosti Boulevard and Krasovskyi Street were combined with extension and reinforcement of their shoulders and scheduled inspection of the technical condition of the road surface and patching of holes are performed on a regular basis. In addition, programmed budgetary activities to put road surface signs on central city streets were executed, and two speed limitation devices were placed near Secondary School #3 and at the crossing of the Pushkin and Lenin streets. Finally, facilities of public transportation stops were repaired and beautified.

*Yevpatoria.* The City of Yevpatoria continues to implement its economic strategic plan. It is also one of the first of the Project's partner cities to use the strategic planning methodology in other areas. Thus, one notable piece of news is that the city held a number of training seminars and working meetings to discuss strategic planning methodology and to draft the City of Yevpatoria Social Development Strategic Plan for the Period up to 2015. Similarly, a draft Mid-Term Plan was submitted for consideration by the Mayor's Public Committee, and was approved in whole. All amendments to the original strategy were discussed by the original strategy's Monitoring Committee members, and their recommendations were included in the draft of the document, which the City Council Executive Committee approved on September 12 in a Resolution entitled "On approving the City of Yevpatoria Mid-Term Social and Economic Development Plan for the Period of 2008-2011."

With respect to specific tasks of the Economic Development Strategy, the Yevpatoria Spa and Tourism Association was created and registered. The membership of this Association includes representatives of spa and resort organizations, hotels and travel agencies. Also related to tourism development, which is a high priority for the City, was the fabrication and placement of signs and explanation boards about Yevpatoria's historical and architectural

monuments. Similarly, the City placed advertisement flyers about Yevpatoria in long-distance trains and in public transportation vehicles.

Because Yevpatoria is a resort town, it identified the need to have a clean city. Consequently, within the Strategic Plan's framework of implementation of the city's goal for "Assurance of High Environmental and Sanitary Standards, Planting of Greenery", the following steps were taken: a plan for the Shore Protection and Beach Restoration Works in the City of Yevpatoria Project was prepared and sent for expert evaluation; and the City Council prepared and passed City Beautification Rules.

Regarding investment and concrete business development projects, this quarter witnessed the opening of the Soyuz-92 Manufactured Goods Market, which has a capacity for 148 vending sites. Also, specific land sites were sold or rented off to investors according to meticulous tender rules developed by the city Landholder Selection Committee, and in the period of 2006 to August, 2007, tender competitions identified 10 winning investors, representing a total investment amount of 236,615,000 UAH (\$49 million). The city's share for the development of social, engineering and transportation structure for these land plots constitutes about \$3 million.

Another priority area for the City's economic strategic development is SME and entrepreneurial development, and work force improvement. In this regard, the city economic department provided 141 consultations to companies about negotiating and registering work agreements. The City also put in place a system of regular dissemination of information on social and labor relations, including minimal salaries, work agreements, and vacation requirements, and 16 publications on these issues were made in the media. Finally, in conjunction with city officials, the Crimean Entrepreneurship Support Fund continued its educational campaign of providing business entities with information about procedures for getting financial assistance in the form of 70% compensation of interest rates for loans obtained in banking institutions.

*Kamyanets-Podilsky.* In the third quarter, the city of Kamyanets-Podilsky pursued several of its strategic objectives as enunciated in its economic development strategy. These included investment promotion, city promotion and tourism and SME development.

Regarding city promotion and investment attraction, as well as tourism development, three renovated hotels were opened for business: hotel complex Hala-Hotel; hotel complex Seven Days; and hotel complex Kseniya. Construction of a trade-entertainment complex called Lidovy Palats was begun; this complex will have three multiplex video halls. The city arranged a seminar entitled "Role of Tourist Clusters in Tourist Infrastructure Development" for a delegation from Poltava oblast. The city also hosted its Fourth Fair of Investment Projects, in combination with a seminar entitled 'Investment-Industrial Parks as a Form of Attracting Investment in the Regional Economy'. In conjunction with that seminar, presentations of potential investments were made by other cities in the region, as well as by oblast businesses. Kamyanets-Podilsky itself presented its project for an investment-industrial park within its borders, which it developed and is currently promoting.

Finally, in the area of SME development, the city put into operation a new system of video cameras for security of the downtown area. Institutional developments included the establishment of a new public organization for small and medium-scale businesses promotion, called the 'Innovation-Investment Center'. As part of this development,

Businessperson Day was celebrated, in which the best taxpayers, public leaders and donors were awarded. In this context, the city granted deserving small and medium-scale business financial support amounting to UAH 177 thousand. Other institutional changes supporting SME development were that: a one-stop permission center was put into operation, and 67 permits for objects involving trade and service were issued; a web-based system of local company registration was created; and a work force program stating employment goals from 2008 – 2009 was developed.

### *Implementation Progress in Wave 3 Cities.*

*Chernivtsi.* The City of Chernivtsi actively pursued economic development plan activities in the strategic objective areas of tourism development, investment attraction and SME development. These three objectives are of course inter-related, and the City's strategic plan is distinctive for its organic and integrated nature. In the area of tourism development and promotion, the city is anxious to develop a brand. In this regard, city residents were surveyed about a city brand and a group consisting of scientists, representatives of the City Council, travel agencies, journalists, and NGOs was established and started the design of a Chernivtsi brand.

Other tourism-related tasks of the Strategic Plan on which the City has been working in this quarter include the following: (a) The Tourist Information Center (TIC) continued its activities in accordance with the agreement on cooperation between the Department for Economy and the Tourist Bukovyna Association. According to the schedule of activities, a visit to the Kamyanets-Podilsky TIC was paid (learning their experience and structural arrangement); (b) Implementation of the Integrated Chernivtsi Cultural Heritage Preservation Program for the Period of 2004-2008 (City Council Ordinance # 541 of 08.26.2004), including restoration works of the architectural complex of the O.Kobylyanska St., and Tsentralna and Teatralna Squares and other items, is underway; (c) The "Tour Chernivtsi" web portal posts a photo gallery about Chernivtsi, and the city replenishes the website regularly with old and modern pictures, and work to make the tourist portal multilingual and allow for electronic reservations is in its final stage; (d) Cooperation between the cities of Kamyanets-Podilsky and Chernivtsi, including the possibility of exchanging tourist information and creation of joint routes is pending; (e) and Reconstruction of the landing strip of the Chernivtsi International Airport is underway, and additional flights from Kyiv are being solicited.

In order to improve the city's workforce capacity to serve tourists, the Department of Economy and the Chernivtsi Industrial Economy Vocational School signed an agreement, in which on-the-job training of hotel and restaurant industry employees at Chernivtsi educational establishments and local affiliations of Kyiv educational establishments is contemplated.

Investment attraction is also significant to the strategic plan, and the city has forged good working relationships with InvestUkraine, the Ukrainian investment promotion agency. To ensure transparency about steps taken regarding attraction of investors, information about the role of investments in the local economy and the steps taken by the City Council to accomplish the planned tasks was published weekly on the City Council web site and in local media. Also, with respect to investment promotion, 39 consultations were provided to local companies on preparation of their investment projects, and housing and utilities companies were assisted in creating their development strategies for the period up to 2011 and in

preparing their investment. Other activities in the area of investment attraction undertaken in the quarter include: a package of new promotional materials (PowerPoint presentation about Chernivtsi, Chernivtsi Bulletin, CD, mock up version of the folder with information on land plots) was prepared; the Mayor ordered that an inventory of land plots be done and that procedures be adapted to reserve these land plots for potential investors; a land plot of 30 hectares next to transportation routes and near the major networks was identified for the industrial zone; an Investor's Road Map was prepared so that procedures for future investors would be clearer and more transparent; and the city is examining the issue of, and has drafted necessary documents for, allocating a land plot for the construction of a logistics center that would be a strategic investment to enhance industrial zone potential.

SME development was also an objective that enjoyed much activity in the quarter. Steps taken include: creation by the executive departments of the City Council of a transparent system for drafting regulatory documents in the area of entrepreneurial activities in the city; over the 9 months of 2007, 10 regulatory documents were adopted; all members of the community have free access to the City Council ordinances that regulate economic activities in the city; City Council ordinances are placed on the Official City Council web site and the information on activities of executive departments of the City Council is updated on a regular basis; in July 2007, the City Economic Department published a set of ordinances that regulate business activities in Chernivtsi. As additional assistance to SME's, the City Department for Public Procurement, while organizing tenders for public procurements of goods, works and services, renders assistance to small businesses on preparation of tender documents and tender procedures.

Further support for SME growth included the following work of the City Employment Agency: creation of a database of local enterprises and institutions including educational establishments and the need for labor resources. The database is fully functional and is updated on a regular basis; in the first 9 months of 2007, training, re-training and on-the-job-training in all areas of economic activities were provided to 436 unemployed persons in the city; to provide incentives for launching businesses, the Agency made one-time payments of unemployment welfare to 16 persons in the amount of 62.0 thousand UAH. 78 persons were trained in the area of small business; and communications between the Employment Agency, employers, local government bodies and trade unions were regularized in the hope of moving businesses and labor out of the shadow economy.

*Vinnytsia.* Primary strategic goals of the City of Vinnytsia concern investment attraction and improvement of the SME sector. Vinnytsia, which is located on strategic corridors between Romania and Kyiv, particularly understands its advantages for investment attraction and SME related job growth. As such, the city recently established a Department of Capital and Other Investments at the City Council and Administration. The work of that Department will include the types of steps undertaken by the city this quarter to promote investment. Such steps included: creation of a multilingual investment-promotion directory; allocation from the budget of UAH 19.9 thousand to develop an electronic investment map of the city; completion of the city visiting card; inclusion on the city website of proposed investment projects and joint business ventures, with special circulation to 317 companies and organizations in Ukraine and abroad; and participation by local private firms in Vinnytsia oblast investment presentations to Germany, Slovakia, Romania and Poland. In the area of investment land preparation, both the LED project and SC 'Dipromisto' performed analyses of existing industrial zones, and LED created a conceptualization of a potential industrial zone site. These studies will be used further following completion of the city's General Plan

revision, now underway. In addition, a list of available land plots slated for competition sales was prepared, and land valuation companies recently competed for a tender from the city.

With respect to strengthening the SME sector, the city appointed a business development working group, charged among other things, with increasing entrepreneurship in the city. To this end, a business section has been created on the city's web portal, and work on the information section of the city web-portal and on Vinnytsia's businesspeople portal ([www.tviybiznes.com](http://www.tviybiznes.com)) is being carried out. One of the issues identified in the Economic Strategy is enhancing the labor force market. Accordingly, the city has put together a register of employment and recruiting agencies; conducts employer seminars; retrains labor force with the use of methodologies developed by the Vinnytsia Center for Social Partnership; has drafted a pamphlet entitled 'You and Your Business – the Businessperson Handbook'; has expanded the Youth Labor Exchange; has carried out a labor fair; and has facilitated professional orientation measures, including roundtables and meetings of management students with successful businesspersons, tourism seminars for future professionals, and a university-based competition for producing business plans of enterprises and entrepreneurial ideas.

Concerning more direct assistance to SMEs, an Information-consulting Service on Entrepreneurship Development in Vinnytsya renders consultations for businesses in the premises of City Council Executive Committee (Room 101), and the portal of Vinnytsia businesspersons ([www.tviybiznes.com](http://www.tviybiznes.com)) was visited by 31,129 people during the quarter. In addition, a call center where business consultations take place by a 'hot' telephone line has been created. Finally, the city boasts the first municipal e-government project in the country, and a database of local regulatory acts was created and uploaded as a priority step for this system. (Additional details on Vinnytsia's e-government systems can be found in Annex D).

*Mykolaiv.* The City of Mykolaiv addressed aspects of all of its strategic objectives in this quarter. The city is striving to grow its SME sector by better public/private coordination, more transparent and more efficient regulation, and more involvement of the business sector in city decision-making. Information needed by businesses is constantly published on the City Council website (local regulations on business activities). In compliance with the Law of Ukraine "On Foundations of Regulatory Policies in the Area of Business Activities" and its part dealing with transparent preparation of regulatory documents, steps are being taken to enable businessmen and public organizations to have access to draft documents and to discuss them. For instance, while preparing the City Council Ordinance "On Procedures for Giving Permits to Business Entities to Place Shopping and Service Facilities", two meetings were held to involve city entrepreneurs, non-governmental business associations, Mykolaiv City Council members, and representatives of law enforcement agencies in the discussion of the draft document. Comments and suggestions were included in the abovementioned draft. The draft was placed on the Mykolaiv City Council website within the terms specified by the abovementioned Law. Information about how to get the document was published in the media. In a similar vein, the city in cooperation with the State Committee on Regulatory Policy and Entrepreneurship conducted public hearings on amendments to the Law of Ukraine "On Tax Code of Ukraine". Comments and suggestions to the abovementioned draft law obtained during the discussion from businesses and business associations were included into the minutes of the meeting and sent to the State Committee on Regulatory Policy and Entrepreneurship. Also, with respect to the tax code, the city, in cooperation with the State Tax Service bodies and various business associations, conducted 8 seminars on changes in the tax legislation. Similar work is being performed with entrepreneurs in city rayons (12

seminars) and rayon employment agencies of the city of Mykolaiv (20 seminars on how to launch a business).

A second strategic priority for Mykolaiv is promotion of its businesses and its image as a city open to business and investment. In this regard, in April 2007, the City Council adopted Ordinance #13/40 “On Approving the City Program for Attraction of Domestic and Foreign Investments to the City of Mykolaiv for 2007-2011”. Concrete steps taken with respect to the goal of business and city business promotion since then include the following: ten exhibition fairs with participation of more than 600 entrepreneurs from the city were conducted at the Expo-Mykolaiv exhibition facility during the first half of 2007, in accordance with a set of actions to improve the business image of the city within the Program for Small Business Development in Mykolaiv, 2007 – 2008; city companies regularly receive information and invitations to regional and inter-regional exhibitions and fairs and have an opportunity to participate in meetings and round table discussions aimed at creating mutually beneficial conditions for cooperation; three series of “Mykolaiv on the World Map” CDs were issued (1,000 copies), 2000 copies of a “Mykolaiv Welcomes Guests” photo album about tourist sites in the city were published, 1000 copies of “XXI Century Mykolaiv” brochures were published respectively in Ukrainian, Russian and English, and an “Industrial and Investment-Ready Mykolaiv” movable stand was produced and used at fairs in Moscow, Hanover (Germany) and Trieste (Italy).

With the objective of preparing land for investment and better fixing the city’s infrastructural needs, the Department for City Property initiated a set of actions to take inventory of the property owned by the territorial community. As a result of this initiative, immovable property database tables have been prepared, new forms for data entry and database tables were created, and the necessary information was entered into the database. The work in this area continues, as does the effort to create an automated land plot database of the city of Mykolaiv. To date, twelve projects of land lease or auction have been prepared.

A basic need and objective of the city with regard to overall land use is to create a new General City Plan. That is now being executed by the Kyiv-Dipromisto Research Institute. Progress on the City Plan creation is as follows: the framework for the City Plan was designed; analysis of the implementation of the present City Plan was completed; and data for the new City Plan was collected and processed. Next steps will be development of the city location in the settlement system, city planning calculations, preparation of supporting drawings, inspection of industrial territories, surveys of companies, implementation of the plan for current industrial territories and sanitary norms, and discussions of the future transportation network.

A final strategic objective for the city is improvement of its communal infrastructure. This not only impacts the life of citizens, it also impacts investment potential. The City Rada accordingly prepared and adopted an overall communal services plan. 210 condominium associations have been formed and are supported by the city. The Water Supply and Sewage Development investment project prepared by the Mykolaiv City Executive Committee was selected the winner of the 2006 National Competition of Local Government Support Projects, and a 920 thousand UAH grant was given to the city. The title of the Project is: “Integrated Implementation of the Program to Reform the Housing and Utilities Sector of the City of Mykolaiv through Introduction of New Energy Saving Technologies and Improving Managerial Systems”. And the city has compiled an investment portfolio of 37 investment projects, many of which are critically needed by the city. These include the construction of

the bridge across the Buh river (400 million \$), modernization of water supply and sewage systems in the city (MykolaivVodoKanal Company, almost 28 million €), replacement of special transportation vehicles and garbage containers with the aim of proper collection and removal of solid waste in the city of Mykolaiv, (15.6 million \$), construction of water treatment facilities (50 million \$), construction of solid waste processing plant with the annual capacity of 240,000 tons (12 million \$), municipal gas turbine power station (17.3 million \$), etc. The portfolio also includes utility company investment projects. The total volume of the investment portfolio constitutes \$39 million.

*Yuzhne.* The City of Yuzhne has reported activities taken pursuant to its strategic economic development plan during the second and third quarters of 2007. With respect to the city's revenue-generating real property assets, a list of immovable property owned by the Yuzhne city territorial community was gathered and approved, and an inventory of housing, buildings, engineering networks and unfinished construction was made. In addition, a database of available investment property is continually gathered and updated by a private company and placed on a dedicated website that is advertised in local newspapers every week.

Regarding business development and public/private dialogue, the Business Development Steering Committee met three times, and regularly scheduled meetings between the Mayor and business entities categorized by sectors were held. To support entrepreneurial activity, a Yuzhne Small and Medium Business Support Program allocated funds in the amount of 99.58 thousand UAH. And in support of regulatory reform for business purposes and further development of the city's one-stop shop, the City Council has authorized steps to expedite processing of business permits and establishment of new investments in Yuzhne.

On the city promotion front, the city commissioned a film to be prepared about the city, and the city website is undergoing an update. In addition, the city's Economy Department prepared an Information Bulletin for the City of Yuzhne and a Yuzhne 2006 Information Guide that employs user-friendly charts and tables.

The strategic plan states a clear relationship between economic development and investment attraction and the need for more social infrastructure facilities. With this objective in mind, the Yuzhne City Council made a decision to allocate a land plot to the development company, APFO-2, Ltd., for the construction of a residential building and construction of 16-storey building with parking in Residential District #2. The City Council also decided to allocate a land plot for the construction of a small-family type residential building in Residential District #4. In 2007, the second section of the IV-02A residential building at 28 Novobilyarska St. (Sections 3 and 4) was put into operation. And necessary city planning documents are being prepared to construct a building for city medical staff. Finally, the City Council passed the Ordinance "On Allowing the Department for Architecture and City Planning to Perform the Pre-Project Adjustment of the Detailed Plan of the Seafront Park and a Leisure Center " (August 2007). Construction of a restaurant and tourist center in the park zone is currently underway.

*Rivne.* In the third quarter of 2007, the City of Rivne worked on several aspects of its strategic plan. In response to a strategic objective of improving its SME environment, the city has moved to increase workforce qualifications through a Business Activities Training Course that is being introduced into the high school curriculum. This will enable school graduates to apply this knowledge in practice. In addition, an Entrepreneurship in Action –

Junior Achievement Ukraine course is taught in schools to show schoolchildren the basics of market economy, the role of business in the country's economy, basics of business organization, product manufacture and marketing. Regarding the job market, the city disseminates information through the radio (local network), the employment agency newspaper, and at quarterly vacancy fairs. Immediate openings are published in the Oho and Afisha newspapers.

Rivne has a keen interest in attracting investment, as set forth in its strategic plan. In the last quarter, the city worked with two partners, the RivneInvest Regional Investment Agency and the Rivne Trade and Industrial Chamber, to represent Rivne business and the city in a number of trade and investment fairs held in Ukraine and abroad.

### ***Innovation Fund.***

#### ***1. Luhansk Resource Management.***

On July 27, 2007, the LED Project received USAID's approval of Luhansk City Council's application for innovation fund monies and thus was allowed to support the city's project on "Establishing effective infrastructure for the City's strategic development by providing technical assistance to the Strategic Development Department of the Board of Economy in the Luhansk City Council". The city requested UAH84,354 (USD16,704) to purchase office equipment and furniture for the City Council's newly-created Strategic Development Department. On August 20 2007, the LED Project signed Agreement No. LED-07-004 with the Luhansk City Council to launch the procurement process. By the end of August 2007, the LED Project had purchased, according to Agreement provisions and pursuant to all applicable FARs and AIDARs, electronic equipment and computer applications for the Department. The LED Project selected two vendors: one was a Kyiv-based private entrepreneur Bekeshev I.N. who is an official representative of a well-known electronic equipment dealer and desk-top computers manufacturer, *ValTek* Company, and the other was Luhansk-based Private Entrepreneur Petrova N.Y., who is an official dealer of a locally-known computer manufacturer and electronic equipment trader, *Systema-Plus Ltd* Company. A flipchart and a demonstration screen were purchased from different companies, *Business Office Ltd* and *Leater* respectively. The equipment was transferred to the Board of Economy of the Luhansk City Council (MOED) on September 27, 2007. An Act of Receipt and Acceptance for the equipment was signed by Luhansk Mayor Serhiy Kravchenko. Equipment and applications installation was conducted by the City Council's IT Specialist. The LED Project will soon address USAID-Kyiv Contracting Office to ask for approval of disposition of inventory to transfer title for the inventory to Luhansk MOED. Currently, both the LED Project and the recipient acknowledge that the inventory remains the property of the United States Agency for International Development. The full list of equipment and application items and their respective cost is as follows:

#	Cost Item	Details of the item	Serial #	Unit cost, UAH	# of units	total cost of the property, UAH	total cost of the property, USD
1.	Monitor LCD	17" Viewsonic VA712 8mc	PPJ071454713, PPJ071454671, PPJ071454551, PPJ071355398	1016.00	4	4064.00	804.75
2.	Desktop computer	Impression, AMD Sempron 3200+/512DDR2/MB/HDD 80 Gb/DVD+/-RW/FDD/ATX 300W/MS	22/09, 23/09, 24/09, 27/09  MS Windows: 00049-140-921-248,	2789.00	4	11156.00	2209.11



#	Cost Item	Details of the item	Serial #	Unit cost, UAH	# of units	total cost of the property, UAH	total cost of the property, USD
		Windows XP Home edition/ MS Office Basic 2007/ mouse / keyboard / mousepad	00049-140-921-249, 00049-140-921-250, 00049-140-921-251  MS Office: 00132-303-026-016, 00132-303-026-017, 00132-303-026-018, 00132-303-026-929  Keyboard: 0704020016, 0704020022, 0704020023, 0704020025				
3.	UPS	Mustek PowerMust 650 UPS	43706c01583, 43706c01584, 43706c01585, 43706c01586	245.00	4	980.00	194.06
4.	Multifunctional printing machine	HP LaserJet M1005	SNEY73XHLM	1079.00	1	1079.00	213.66
5.	Laser color printer	HP Laser Jet 2605 Color	Cncw76k1n9	1951.00	1	1951.00	386.34
6.	Multimedia projection apparatus	Leater LX402	330500447160079	8990.00	1	8990.00	1780.20
7.	Digital copy machine A3	Canon iR2016J with Platen Cover J + Toner Canon C-EXV14 Black	mct09945	5229.00	1	5229.00	1035.45
8.	Portable computer	HP 530 15.4" CoreDuo 1,6 Dos	CND 73409 YV	3952.00	1	3952.00	782.57
9.	Software & Applications	MS Windows XP Prof Rus OEM	00051-128-614-269	773.00	1	773.00	153.07
10.	Software & Applications	MS Office Basic 2007 Rus MLK	00132-302-191-768	1310.00	1	1310.00	259.41
11.	Office telephone	Panasonic KX-TS2362 RUW	7ABKD368427, 7ABKD368452	176.00	2	352.00	69.70
12.	Fax machine	Panasonic KX-FT932	7EAWA041670	635.00	1	635.00	125.74
13.	Extension cord with a branch box	1,8 m for UPS	--	18.00	4	72.00	14.26
14.	Extension cord with a branch box	5 m	--	24.00	4	96.00	19.01
15.	CD-R Disk	TDK 700 Mb 52x box	--	1.30	100	130.00	25.74
16.	CD-RW Disk	TDK 700 Mb 4x-12x slim	--	5.00	50	250.00	49.50
17.	DVD-RW Disk	Samsung 4.7 Gb slim	--	5.90	50	295.00	58.42
18.	Floppy disk 1,44 Mb	Verbatim DataLife	--	1.50	100	150.00	29.70
19.	Laminator	GBC HeadSeal 310	TB21826H	858.00	1	858.00	169.90
20.	Binding machine	GBC Combind C75	TB08607H	630.00	1	630.00	124.75
21.	Laminating film	A4; 100 sheets per pack	--	62.00	5	310.00	61.39
22.	Digital camera	Canon PowerShot A560	4532104858	1540.00	1	1540.00	304.95
23.	Memory stick	Sandisk SD 1Gb	--	182.00	1	182.00	36.04
24.	Flipchart	65x100 Trening + flipchart notepad (checked)	--	2263.22	1	2263.22	448.16
25.	Demonstration screen	Draper Luma Matt White AV Format 60x60 (152x152)	--	528.00	1	528.00	104.55
	<b>TOTAL</b>	--	--	--	<b>341 units</b>	<b>UAH47,775.22</b>	<b>\$9,460.44</b>

## 2. *Pavlohrad Resource Management.*

On August 15<sup>th</sup>, 2007, the LED Project received USAID's approval of the Pavlohrad City Council's application for innovation funds and thus was allowed to support the city's project to "Create an efficient local resources management system and promote Pavlohrad investment opportunities". The city requested UAH74,998 (USD14,851) to purchase office equipment for the City's Strategic Plan implementing body - the Board of Economy of the Executive Committee of the Pavlohrad City Council. On August 23, 2007, LED signed

Agreement No. LED-07-005 with the Pavlohrad City Council to launch the procurement process. By September 14, 2007, the LED Project had purchased, according to Agreement provisions and pursuant to all applicable FARs and AIDARs, electronic equipment and computer applications for the Board of Economy. The LED project selected two vendors in Pavlohrad, private entrepreneurs Latypov M.T. and Tuktamyshev A.R., who are official representatives of a locally-known electronic equipment dealer and desk-top computers manufacturer, *Pinfo* Company. The equipment was transferred to the Executive Committee of the Pavlohrad City Council on September 14, 2007. An Act of Receipt and Acceptance of the equipment was signed by Pavlohrad Mayor Volodymyr Kuklin. Equipment and applications installation was conducted by the City Executive Committee's IT Specialist. The LED Project will soon address USAID-Kyiv Contracting Office to ask for approval of disposition of inventory to transfer title for the inventory to the Pavlohrad City Executive Committee. Currently, both the LED Project and the recipient acknowledge that the inventory remains the property of the USAID. The list of equipment and application items and their cost is as follows:

#	Cost Item	Details of the item	Serial #	Unit cost, UAH	# of units	total cost of the property UAH	total cost of the property USD
1.	Desktop computer	"Pinfok" MS Widows preinstalled Motherboard: MB s-MS-7310-010 K9N4 Ultra-F; Processor: CPU AMD Athlon 64 X2 4000+ Socket AM2, 2x512kb, BOX; RAM: DIMM 1024Mb DIMM 1024Mb DDR-II 533; Fixed disk: 160.0Gb Samsung HD 160JJ 7200rpm 8Mb S-ATAII 300; Graphics card: 256Mb ATI Radeon X-1300Pro PCI-X 256Mb DDR2 DVI TV; Case: KME ATX CX-Y162 USB2.0+AU FAN 80mm Drive: DVD-RW NEC AD-7170S SATA Disk drive: FDD Samsung 3,5"	6332, 6333, 6334, 6335, 6336  <i>MS Windows:</i> 00049-142-600-125, 00049-142-600-126, 00049-142-600-127, 00049-142-600-128, 00049-142-600-136	2575.00	5	12875.00	2549.50
2.	Monitor LCD professional	19" Samsung 940NW	HA19HMDP524699, HA19HMDP524211, HA19HMDP5261270, A19HMDP326662, B23A0716145507	1190.00	5	5950.00	1178.22
3.	Keyboard	A4TECH KIP-800 Slim USB	87163094000690001006748000011	115.00	1	115.00	22.77
4.	Keyboard	Genius Comfy KB-06X USB	XE7201014912, XE7201014918, XE7301008271, XE7301008280	39.00	4	156.00	30.89
5.	Mouse	Mitsumi Scroll Optical PS/2 ECM-S4102	05159298, 05159339, 05159311, 05159309, 05159346	40.00	5	200.00	39.60
6.	Flash Drive	USB Flash Drive 1Gb Transcend Jetflash v30	5017340540, 5017340528, 5017340539	90.00	3	270.00	53.47
7.	UPS	Mustek PowerMust 400	H32612C04159, H32612C04160, H32612C04161, H32612C04162, H32612C04163	175.00	5	875.00	173.27
8.	Multifunctional copy machine	Sharp AR-5415	AR5415QE-415378	2790.00	1	2790.00	552.48
9.	Scanner	Epson Perfection V10	J7QW051340, J7QW054266	448.00	2	896.00	177.43
10.	Fax machine	Panasonic KX-FC253 UA-T	7AABA002679	1179.00	1	1179.00	233.47
11.	Modem	D-Link DSL-2500 U/RU	PHO4171041859	288.00	1	288.00	57.03
12.	Software & applications	MS Office 2007 DSP Rus OEM	99994-590-944-146	1780.00	1	1780.00	352.48

#	Cost Item	Details of the item	Serial #	Unit cost, UAH	# of units	total cost of the property UAH	total cost of the property USD
13.	Software & applications	MS Office 2007 SBE Rus OEM	99994-590-295-092; 99994-590-295-093; 99994-590-295-094; 99994-590-295-096; 99994-590-295-097	1440.00	4	5760.00	1140.59
14.	TV set	32" LCD Samsung LE 32	0537637	5999.00	1	5999.00	1187.92
15.	Mobile phone	Nokia 6300 black-silver	358052013642912	1499.00	1	1499.00	296.83
16.	Wi-Fi access point	D-Link DWL-2000 AP+	F32V169002392	290.00	1	290.00	57.43
17.	USB - Wi-Fi adapter	D-Link DWL-120 G	DR5A269000623, DR5A269000624, DR5A269000625, DR5A269000627, DR5A269000628, DR5A269000629, DR5A269000631, DR5A269000632	119.00	8	952.00	188.51
18.	CD-R	700 Mb Technolog	--	1.20	500	600.00	118.81
19.	Glossy photographic paper for color printer	Photo A4 115g/sq.m; 100 sheets/pack.	--	80.00	10	800.00	158.42
20.	Extra cartridge for printer	EP-303 (LBP-3000)	--	359.00	2	718.00	142.18
21.	Extra cartridge for color LaserJet printer	HP 2600 Color	--	625.00	2	1250.00	247.52
22.	Laptop computer	Dell Inspiron 6400 WW; MS Widows preinstalled	I640xT208L5ADAW MS Windows: 00049-139-108-846	5699.00	1	5699.00	1128.51
23.	Mouse	Logitech U 96 USB	831114-A00	54.00	1	54.00	10.69
24.	Laptop bag		--	155.00	1	155.00	30.69
25.	Multimedia Projection Apparatus	NEC VT49G	01150320 7340081ED	6780.00	1	6780.00	1342.57
26.	Office telephone	Panasonic KX-T2351 UAB AOH	7BAKB020740. 7BAKB023114. 7BAKB025907	150.00	3	450.00	89.11
27.	Office telephone	Panasonic KX-TG 1108 UAT	6KBQA008703	349.00	1	349.00	69.11
28.	Pocket PC	ASUS MyPal P525	75AOAGO29478	2790.00	1	2790.00	552.48
29.	Graphics tablet / Digitizer	Genius MousePen 8X6	ZU698001701	1865.00	1	1865.00	369.31
30.	Laserjet Printer	Canon LBP-3000	LPEA120458. LPEA404479	745.00	2	1490.00	295.05
31.	Laserjet Color Printer	HP Laser Jet 2605dn Color	CNCW77222G	2899.00	1	2899.00	574.06
32.	Digital Photocamera	Sony Cybershot DSC-W90	3-097-283-21	1698.00	1	1698.00	336.24
33.	Memory Stick for the Digital Photocamera	SONY Memory Stick DUO Pro 1Gb	--	199.00	1	199.00	39.41
34.	Switch	8 ports 10/100 Mb D-Link DES-1008	F30216B032327	105.00	1	105.00	20.79
35.	Software & applications	Office 2007 SBE Rus OEM	99994-590-944-146	1440.00	1	1440.00	285.15
	<b>TOTAL</b>	--	--	--	<b>580 units</b>	<b>UAH71215.00</b>	<b>\$14101.98</b>

### 3. *Kupyansk Geo-Information System.*

The city's application for the Innovation Fund monies (UAH82,000 or USD16,238) was approved by USAID-Kyiv on August 1<sup>st</sup>, 2007. Currently, the pre-award negotiation with the city is in process. The aim of the negotiation is to make sure the city is able to co-fund the project.

4. ***Yevpatoria Investment Promotion project.***

The city's full-format grant application is currently in the process of development and is expected for submission shortly. A rough estimate of the LED contribution is expected to be about \$15,000. The LED Project also expects the city to provide documents to allow it to be registered as an official recipient of LED technical assistance with the Ministry of Economy of Ukraine.

5. ***Ivano-Frankivsk and Kovel Investment Promotion projects.***

Full-format grant applications are currently being prepared by the cities' experts and are expected to be submitted to the Innovation Fund. A rough estimate of the LED contribution is expected to be about \$15,000 per city.

6. ***Dzhankoy Investment Promotion project.***

The city's project concept summary (a short proposal) is currently being prepared by the city's experts and is expected to be submitted to the Innovation Fund. A rough estimate of the LED contribution is expected to be about \$15,000.

At the end of September 2007, the LED project invited some of its partner cities that have demonstrated their dedication to the strategic planning process and adopted their LED Strategic Plans as municipal ordinances to submit an official request for registration with the Ministry of Economy of Ukraine as recipients of technical assistance through the LED Project Innovation Fund. The letters of request are expected by October - November 2007. The cities will be invited to apply for Innovation Funding in Q4/2007 – Q3/2008. The list of cities is as follows: *Yuzhne, Pervomaysk, Mykolaiv, Konotop, Koryukivka, Nova Kakhovka, Kakhovka, Berdyansk, Rubizhne, Lozova, Artemivsk, and Izyum.*

*Task 5: Legal and Regulatory Framework – Draft and implement legislation to support LED and local self governance, and help cities improve local regulations to improve the business environment and enhance their attractiveness for investment. Provide administrative oversight for an existing national network of legal aid centers to enable the “All Ukrainian Union of Legal Assistance to Rural Population” to receive Federal awards. Implement a training program for FDI professionals with an emphasis on participants from the south and east of Ukraine. Construct a database of FDI opportunities designed at the local level.*

*Regulatory Reform for LED and local self governance.*

LED's one-man legal team focuses on providing legal assistance to LED partner cities in support of Strategic Plan implementation, giving commentary on draft legislation that impacts on issues of local economic development, and participating in various forums dealing with legal aspects of economic development. Superficially, the following tasks were carried out during the quarter:

1. The Legal Advisor analyzed legislative norms in Ukraine on issues of utilization of investment potential of industrial, transport, communications and recreation land in cities and other territorial units and prepared for LED Project specialists respective clarifications and comments regarding utilization of these norms in economic

development strategic plans' implementation, in investments attraction efforts, lease of land plots to foreign legal entities, and sale of land of non-agricultural designation to Ukrainian legal entities with 100% foreign capital.

2. The Legal Advisor participated in the Introductory Meeting of the Economic Development Strategic Planning Work Group of *Kolomyia* city and took part in a seminar-meeting organized by the City Council of *Kolomyia* for Council deputies and specialists on economic, land, financial and other issues to deliver a presentation on how to resolve land and legal issues as part of the Strategic Plan development process. In support of the process, he also performed an analysis of the legal regime of sites, which the city plans to offer to potential investors and prepared respective recommendations regarding opportunities and legality of allocation of selected sites to potential investors for the Strategic Planning Expert Committee, as well as for specialists on land issues, and architecture and city-planning experts.
3. At a roundtable organized by the *Ivano-Frankivsk* City Council, the Legal Advisor delivered a presentation on dealing with land and legal issues of territories of agricultural and recreational designation located within city boundaries. Following the meeting, he carried out a legal analysis of investment project implementation status in the *Khryplyn* Industrial Zone and prepared answers and clarifications for deputies and specialists of the City Council regarding legal ways of resolution of land issues related to the *Tyco Electronics* investment as well as of other companies.
4. In *Dolyna*, an LED partner city through the FDI Program, the Legal Advisor participated in a seminar organized by the *Dolyna* City Council for deputies and specialists of City Councils of *Dolyna* and *Rozhniativ* cities of *Ivano-Frankivsk* region to deliver a presentation on legal aspects of allocating land for investment. At the request of the Mayor of *Dolyna*, he also conducted an examination on the locality and carried out an analysis of the legal regime of three sites that the city is planning to offer investors and prepared a summary of the legal regime of recreation land for attraction of investments into the city tourism sector for specialists of land relations regulation, economic development, and city-planning and architecture.
5. In support of tourism development in LED partner cities, the Legal Advisor participated in the working group for the creation of a Strategic Plan for Sustainable Tourism Development in Ukraine, established by the State Committee on Tourism and Recreation in Ukraine and the State Tourism Authority according to the Decree of the President of Ukraine regarding promotion of tourism development in Ukraine. As a participant of this working group, the Legal Advisor prepared a section on the legal and regulatory provision for tourism development in Ukraine as well as attraction of investment into the sector for inclusion in the Strategic Plan. He also participated in a roundtable session on investment attraction into tourism development in the Autonomous Republic of Crimea, organized by the State Committee on Tourism and Recreation in Ukraine to present the legal regime of sites assigned for construction and exploitation of tourism objects in Crimea.
6. In support of the Project's industrial zone conceptual design preparation in *Vinnysia* and *Dzhankoy* (details under the FDI section below), the Legal Advisor prepared an analysis of the legal regime of territories assigned for the creation of industrial zones in these two cities.

7. At the invitation of the Ministry of Justice of Ukraine, the Legal Advisor took part in a workshop for notaries of Kyiv, Zhytomyr, and Chernihiv regions as well as cities of Kyiv and Sevastopol to present on specifics of notary acknowledgement of agreements of allocation of land of non-agricultural designation to natural persons and legal entities, including foreign, with the purpose of investment attraction into economic development of territories.
8. Finally, the Legal Advisor participated in an International Investment Forum organized by *Khmelnysky* Regional State Administration during which he presented on legal issues of attraction of investment into development of urban territories.

#### *Support to Legal Aid Centers.*

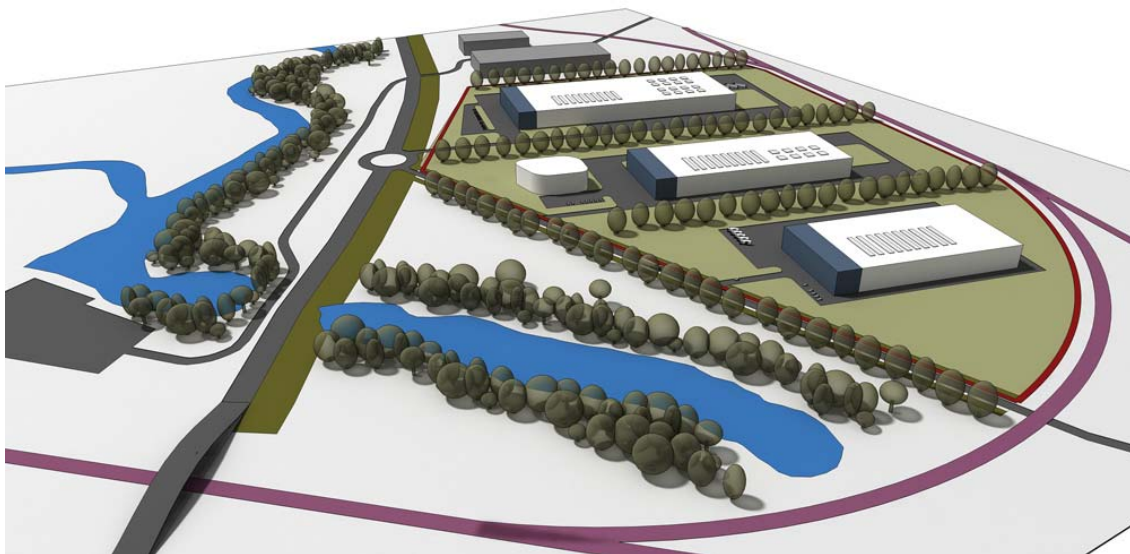
During the quarter, LED continued to provide administrative oversight for the Ukrainian Legal Aid Institute for Rural Citizens (IPZUS) through a grant mechanism designed to prepare the NGO to receive federal awards. However, since June the NGO has been operating in a significantly downsized capacity due to a lack of operational funding from USAID after May 2007. IPZUS kept a skeletal staff of 3 central office employees and 3 lawyers in one legal aid center in Crimea through July on a small amount of unspent grant funds from the March – May grant period with the expectation that new funding would be made available in August when the Mission finalizes its strategy for technical assistance for land-related issues in Ukraine and receives fiscal year 2007 monies from Washington. However, on July 26 LED and IPZUS received notification from the Mission that no funding would be forthcoming in time for IPZUS to survive because no grant to the LAC NGO was included in the FY 2007 procurement schedule and the land strategy was not expected to be approved in the near future. Based on these news, IPZUS' Director Pavlo Kulinich and the NGO's board made the decision to liquidate the organization as soon as possible to avoid being criminally liable for non-submission of monthly financial reports to various government agencies due to a lack of funding to pay the accountant.

On August 1, 2007, LED provided a no-cost extension to IPZUS to give the organization time for the close-out process. By the middle of August, the Project contracted with Garant law firm to provide legal services to IPZUS during liquidation. The first major step toward liquidation came on August 30, 2007 when the State Registrar of the Shevchenkivskyi rayon of the city of Kyiv passed a decision to publish an official statement on the liquidation of IPZUS. While most other close-out activities are expected to be completed by the middle of October, the full deregistration process may take up to one year. Since the LED grant remained in effect, IPZUS provided short status reports to the Project for July and August. These reports can be found in Annexes E and F. The next status report from September on will be presented at the end of IPZUS and grant close-out.

#### *Foreign Direct Investment (FDI) Initiatives.*

During the previous quarter, LED launched the third cycle of the Training Program for FDI Professionals with a stage-setting workshop on "Facts and Myths about FDI". Two more workshops for 27 local government professionals and representatives from the national investment promotion agency were completed this quarter. The second workshop titled "Working Smartly and Tactically – Planning for Success" took place on July 11 – 13 and focused on teaching participants how to conduct sound analyses, such as the socio-economic

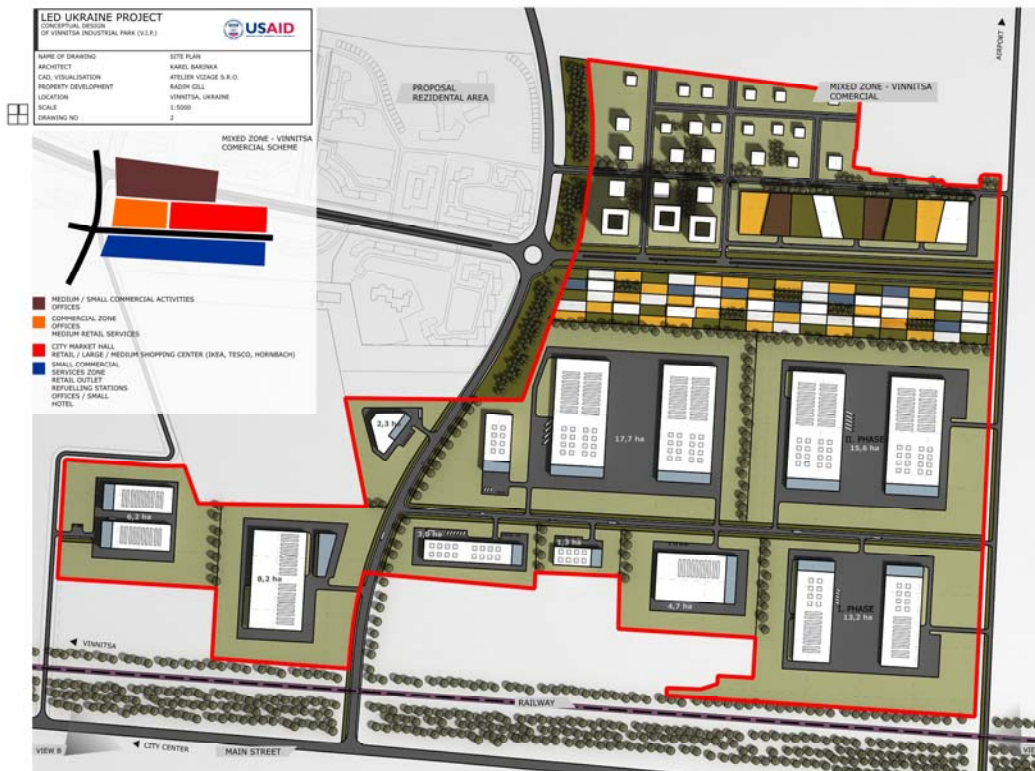
profile, benchmarking, SWOT analysis, and FDI performance assessment, to create feasible plans. The third workshop, “Industrial Zones – Preparing and Customizing the Product” took place on September 13 – 15 and introduced the role of market-ready property in FDI attraction. LED experts guided participants through the economic, technical and legal aspects of industrial zone preparation and management. As part of the Program, the Project conducted a study tour to the Czech Republic on August 22 – 29. The host country belongs to the list of best FDI performers in the region. The study tour’s purpose was not only to see successful FDI attraction practices at work in the CEE context, but also to provide participants with enthusiasm and commitment necessary for their work in Ukraine. During the visit, host organizations demonstrated practical knowledge gained during workshops and emphasized the importance of effective cooperation between the national investment promotion agency and a network of local partners. Specifically, participants gained a detailed understanding of industrial parks prepared by private developers, business innovation centers, science and technology parks, and successful brownfield redevelopment projects. The full set of training materials for the FDI course is available on the LED website.



Spatial design of the Dzhanhoy industrial site

This quarter saw the completion of the work on preparation of the conceptual design and pre-feasibility study for new industrial sites development in the cities of Dzhanhoy and Vinnytsia. The due diligence phase took place during the previous quarter while the technical dimensions, sketches, and advanced CAD drawings were drawn up in July and August. LED consultant Radim Gill presented the full analysis, reports, and sketches to an audience from the two client cities, other LED partner cities interested in industrial site design and development, regional investment promotion agencies and the national investment promotion agency on September 4, 2007. In his presentation, Mr. Gill also touched upon problematic issues and risks on both sites in the two client cities and suggested further steps to eliminate or minimize them.





Alternative view of the spatial design of the Vinnytsia industrial site

*Task 6: Regional Economic Development Support – Appraise USAID of all regional activities taking place in the Eastern and Southern regions of Ukraine and involving the Project’s target cities, with the understanding that the Project may become involved in such planning should further funding materialize.*

LED partnered with the EU Project on Sustainable Local Development in Ukraine to create a Territorial Development Strategy in the city of Izyum, Kharkiv Oblast. That strategic plan was completed during the summer and adoption by the Izyum city council is anticipated. Now the LED Project is again collaborating with the EU Project on Sustainable Local Development in the territory around the city of Romny, Sumy Oblast. This strategic planning will continue until early 2008. All of this work with the EU involves the participation of oblast and regional officials, and is a first step toward the EU’s aspiration to help with regional planning in Ukraine.

Other developments in the regional planning area are inchoate, but potentially powerful. The Project has participated in a number of meetings with the Ministry of Economy and cities regarding the regional development potential of EuroGames 2012. The country does not want to lose the opportunities for broad development which the Games might galvanize, and the Project has been surveying the interest and energy that its cities might devote to this effort. We anticipate that thinking about this issue will be refined in the next quarter, and that our partner cities will request that the Project become involved in helping them organize to take advantage of the Games.

*Task 7: Information Dissemination – Design a strategy for outreach and communication, the purpose of which will be to help target cities better implement LED strategies and to enable*



*non-target cities to have enough information to launch their own strategies on their own initiative. The strategy must be approved by USAID.*

*Website Maintenance and Development.* During the period under review, 11 news stories (one less than in the previous quarter) on local economic development and jobs-generating investments in Ukraine were published in the News section of the LED website ([www.led.net.ua](http://www.led.net.ua)). In the focus of the news stories was a further shift made toward LED partner cities and/or important LED project activities: eight of the eleven stories deal with developments in Drohobych, Ivano-Frankivsk, Mykolaiv, Ternopil, Pryluky, Koryukivka, and Kakhovka, and two stories report on a regional airport roundtable and the project's involvement in the USAID/IUD signing ceremony in Alchevsk. Some of the stories feature major successes that Project partner cities made while implementing their Strategic Plans. The full text of all stories produced during the quarter is included in Annex C of this report.

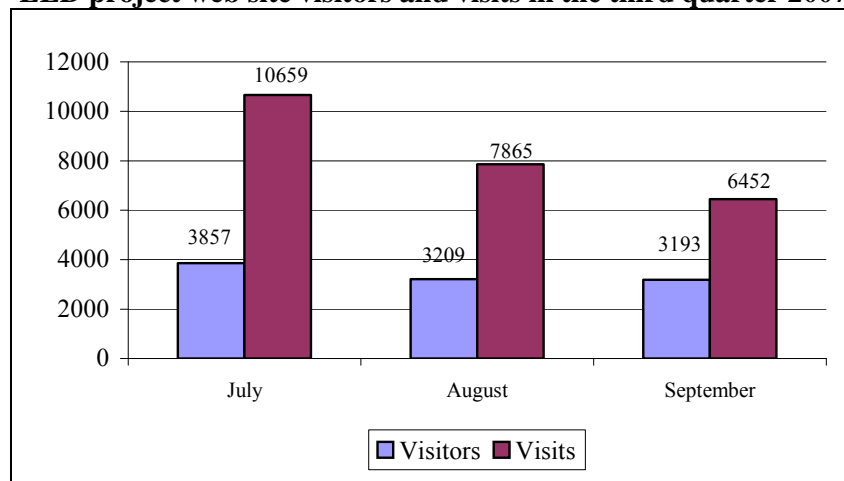
A new section, *Virtual tours/panoramas*, was added to the project website. The section provides 360 degree panoramas of Dzhankoy, Kamyanets-Podilsky, Kaniv, and Novohrad-Volynsky and was presented to the public for the first time at the USAID exhibition "15 Years of Partnership." The interactive images, produced by a revolutionary technology being developed by programmers in Ukraine, provide virtual tours of the cities. LED anticipates that cities will wish to have more of such virtual tours in order to show prospective investors and/or tourists the various physical assets and sites that exist within their territories.



Virtual panoramas of Kamyanets-Podilsky

The chart below shows the numbers of site visitors and visits in each of the quarter's three months.

**LED project web site visitors and visits in the third quarter 2007**



News and features from the LED website are regularly reprinted by the InvestUkraine Press Monitoring bulletin and distributed through the InvestUkraine mailing list.

*Success stories.* During the quarter, LED submitted a success story on e-Government implementation in Vinnytsia – one of the projects under the city's Strategic Plan. This story appears in Annex D to the quarterly report.

*LED Monitor e-Newsletter.* LED produced and distributed five issues of The LED Monitor e-newsletter during the period under review. At the end of the quarter, the number of subscribers reached 274, as compared to 268 at the end of previous quarter.

*Media Relations.* During the reporting period, at least 26 articles on LED were published in the printed press and in on-line news sources. The translated list of articles appears under IR 4.1.2 of the Intermediate Results Report in Annex B.

### D. Project Progress

The table below provides a summary of project progress per the contract and its modifications as well as per the Year 3 Work Plan covering the period between January 1, 2007 and January 1, 2008. A quarterly monitoring and evaluation report based on the Project's intermediate results framework is attached as Annex B.

[illegible][illegible]









- Artemivsk Community Profile and Business Attitudes Survey
- Conceptual design and pre-feasibility study for the Dzhankoy industrial zone
- Conceptual design and pre-feasibility study for the Vinnytsia industrial zone

## **F. Performance Challenges**

In Modification 6 to the LED contract, the Project was tasked with providing administrative oversight for a national network of legal aid centers to enable the “All Ukrainian Union of Legal Assistance to Rural Population” to receive Federal awards. Throughout the second half of 2006 and the first half of 2007, the Project provided rigorous assistance to the legal aid NGO (IPZUS) to establish sound organizational management practices that conform with Ukrainian legislation and international donor standards to prepare the organization to receive a direct grant from USAID in June of 2007. However, funding for the grant did not materialize and the ultimate goal of the assistance effort will remain unmet.

## **G. Status of Budget Expenditures**

Contract Budget (per Modification 7):	\$12,864,274.00
Obligated Funds:	\$11,921,355.00
Expenditures thru September 2007:	\$9,581,415.55
Balance of Obligated Funds:	\$2,339,939.45

## **H. Activities Planned for Next Quarter**

*Task 1: Participating City Selection Process.* LED will work with USAID and AUC to select three (3) more target cities in the eastern and southern regions of Ukraine for Wave 5 strategic planning. LED anticipates these will be the last target cities chosen to partner with the Project so it will apply rigorous selection criteria and vetting processes to ensure selection of municipalities with high potential for economic gains resulting from Project assistance.

*Task 2: Building Ukrainian Capacity.*

### Sub-task A: Municipal LED Toolkit

The Project will translate and upload on the LED website 11 tools prepared by the Extension Service of Michigan State University and the Kyiv Economic Institute. It will also begin preparations for the LED Toolkit Conference planned for the first quarter of 2008.

### Sub-task B: Building LGSO Capacity

LED’s LGSO consultants will continue supporting strategic planning activities in 7 Wave Four target cities in cooperation with the Project’s LED Advisors. They will also independently facilitate strategic planning in about 18 non-target cities, municipalities that applied to LED for assistance but were not chosen as priority sites, ensuring the “spread” of strategic thought and action for economic development throughout the country. Certain members of the current group of trained LGSOs will also likely provide implementation assistance to cities that have already adopted strategic plans for economic development.

*Task 3: Strategic Plan Development.* LED anticipates that most of the Strategic Plans from Wave 4 cities will be completed and adopted by the end of next quarter; exceptions may include Artemovsk, Lazova, and Poltava, where the strategic planning process started later. LED will work with the Fifth and final Wave of 5-6 partner cities to develop impact-rich projects to address the critical issues identified based on the Business Attitudes Surveys, Community Profiles and SWOT Analyses.

*Task 4: Implementation of LED Strategic Plans.* LED will continue providing legal, FDI, and other consulting implementation support to its partner cities with emphasis on addressing issues common to a number of cities and implementing activities that create jobs and increase investment. The LED Innovation Fund team will help cities prepare Innovation Fund requests and process applications for strategic plan project implementation according to LED Project procedures. LED plans to receive and process grant applications from the following cities: Ivano-Frankivsk, Yevpatoria, Kovel, and Dzhankoy. The LED Project also plans to consider the expediency of entering into an award agreement with the city of Kupyansk within the framework of the Innovation Fund. Currently, there's a risk that the city might fail to co-fund the project and thus implement it in accordance with the initial grant application.

*Task 5: Legal and Regulatory Reform.* LED's Legal Advisor, will support LED partner cities in resolving land issues related to their strategic plans. He will review regulations and provide recommendations for at least four strategic plan implementation projects in partner cities. Additionally, he will monitor Ukrainian legislation on issues of land use for cities' economic development and investment activity in Ukraine and prepare analytical conclusions and recommendations for Project cities.

*Foreign Direct Investment.* LED will hold the fourth and last workshop of the FDI training program on October 3-5<sup>th</sup> and complete the rest of the FDI training program by the end of next quarter. The final exams are scheduled for October 24-25<sup>th</sup>, 2007, and the Graduation ceremony will take place on November 8<sup>th</sup>, 2007. The FDI team will provide on-demand FDI assistance to partner cities and regions, especially to pursue investment prospects.

*Task 6: Regional Economic Development Support.* LED will continue working with the European Commission in the cities of Izyum and Romny to develop city and regional Territorial Development Strategies and will further explore opportunities to help other LED partner cities to take maximum advantage of economic development potential provided by the Euro 2012 Football Games.

*Task 7: Information Dissemination.* At the request of its partner cities, LED will use the new virtual tour technology to help promote local tourism and investment assets to the international community. The Project will continue updating its website on a regular basis with local economic development news from Ukrainian cities, Project events, activities and successes, LED and FDI training materials, partner city information, potential investment sites, LED tools, and other information useful to Project partners and investors. LED's communications team will also publish the LED e-Monitor on a periodic basis and support Project media events.



## **I. Other Issues Affecting Project Progress**

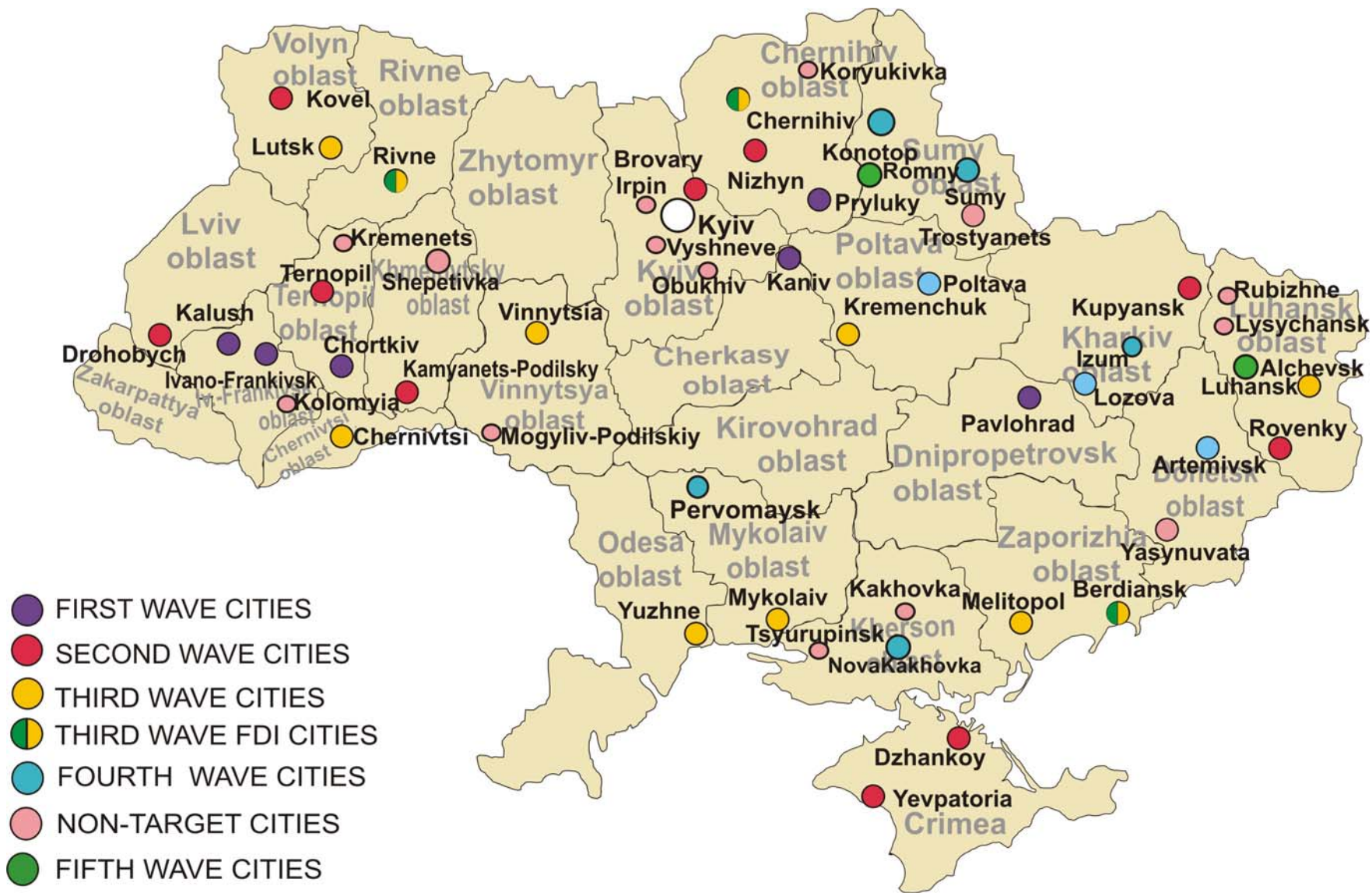
*Ternopil.* To date, Ternopil is the only municipality among Wave 1 and 2 partner cities that has not approved its Strategic Plan due to a very tense standoff between two political parties in the City Council that is thwarting implementation of all major initiatives.

*LED Tools.* According to the Year 3 work plan, LED anticipated adding 15 tools to the current population of tools in Volume II of the LED Toolkit. The Project teamed up with the Michigan State University Extension (MSUE), which specializes in local economic development and is a leading member of the national community of LED academics and specialists, to cull and adapt US-based LED solutions and tools for addition into the Toolkit. MSUE issued a national call for contributions among Extension Service specialists, researchers and policy analysts to collect best international practices and scientific research results in urban economic development. Both sides hoped to receive and publish 15 quality tools. However, after the collected tools were screened for their originality and applicability to the Ukrainian context, only 11 viable tools emerged. Since this collaboration yielded fewer tools than originally expected, LED will work independently over the next several months to identify and develop additional tools for the Toolkit.

## **ANNEX A**

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### **MAP OF LED PARTNER CITIES**



## **ANNEX B**

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### **LED INTERMEDIATE RESULTS REPORT**

**INTERMEDIATE RESULTS REPORT,**  
**Period: 3<sup>rd</sup> quarter 2007.**

**238 activities grouped for 23 cities (1st Wave – 3 cities, 2nd Wave – 6 cities, 3rd Wave – 6 cities, 4th Wave – 7 cities, 5th Wave – 1 city):**

**IR: Increased autonomy and responsiveness of local self-governance. (IR 4.1)**

#	Wave	City	Activity	Type
1	1 <sup>st</sup>	Chortkiv	After Ternopil, Chortkiv is recognized to be the # 1 city according to rates of building construction in 2007 in Ternopil Oblast.	Qualitative
2	1 <sup>st</sup>	Chortkiv	<p>1. The City Council bought into communal ownership the water towers OJSC Chorkivsky plant 'Agromash', village Bila "15, Kaminna"</p> <p>1.1 As a result of this 1,200 subscribers pay for water consumption and stocks UAH 2.70 comparing to UAH 3.06, that is by UAH 1.26 cheaper.</p> <p>1.2 There is a real prospect to ensure 24-hour high-quality water supply to high-rise buildings of micro district 'Kadub' - Makoveya, Sichinsky, Bolodymyr Velyky streets, etc. By the end of 2007, it is planned to link three apartment buildings on Volodymyr Velyky Street under condition of funds available.</p> <p>1.3 Until recently, the oblast administration of housing and communal services (HCS) stopped to accept applications for financing from Chortkiv. As a result of work done and the purchase of the water tower Bila-Kaminna this 'stoppage' was RELEASED, and it is now possible to obtain budget funds for the projects required by the town, such as:</p> <p>1. The necessary reconstruction of water tower 'Bila-Kaminna', financed in 2007 in the amount of UAH 150 thou. It will be put into operation before the end of October.</p> <p>2. Reconstruction of purifying installations (the project for UAH 10 mln is in process)</p> <p>3. Replacement of sanitations on Piguta Street, length - 600 m, cost - UAH 1.4 mln. It has been financed and the project -estimate documents have been drawn up (amounted to UAH 25 thou.). These projects underwent examination and were supported in August, 2007 in the oblast administration of HCS, and at the end of the year will be subject to examination by the Ministry of Housing and Communal Services in Kyiv.</p>	Qualitative
3	3 <sup>rd</sup>	Vinnytsia	The department of capital and other investments and social policy has been established in the Administration of Economy and Investments in the City Council	Qualitative
4	1 <sup>st</sup>	Chortkiv	The pumping stations (WELLS) of the military department # 22 were transferred into city ownership. As a result of this, there has been 24-hour water supply to NINE five-storey building on Nezalezhnost Street since July.	Qualitative
5	1 <sup>st</sup>	Chortkiv	<p>High-quality water has been supplied to:</p> <ul style="list-style-type: none"> <li>- 11 five-storey buildings on Konovaltsa and Lepkoho street,</li> <li>- high school - hostel of 1-3 degree,</li> <li>- maternity house.</li> </ul>	Qualitative
6	1 <sup>st</sup>	Chortkiv	In 2007 the water-supply was replaced by a plastic pipe (its length is 790 linear m)	Qualitative
7	1 <sup>st</sup>	Chortkiv	During 2006, the overhaul of pumps in village Bila in Sary-Novy pumping stations, also the major repairs of purifying installations were carried out.	Qualitative
8	1 <sup>st</sup>	Chortkiv	One hundred ten concrete hatches were bought.	Qualitative
9	1 <sup>st</sup>	Chortkiv	<p>The water supply system was saved from bankruptcy; its ordinary debts were:</p> <ul style="list-style-type: none"> <li>- for electroenergy - UAH 240 thou. is now paid off;</li> <li>- before tax service - UAH 740 thou. - now its UAH 120 thou. left;</li> <li>- arrears of wages - before Lviv railway UAH 35 thou. - is now paid off.</li> </ul>	Qualitative
10	1 <sup>st</sup>	Chortkiv	The conservation zone of the Seret river was set up by the decision of Chortkiv city council	Qualitative
11	1 <sup>st</sup>	Chortkiv	The status of public gardens (squares) was granted to green zones of the town, as follows: (1) the square near the Blessed Virgin Chapel (S. Bandery -Nossa streets), area of 0.11 sq.ha, (2) the square where the memorable sign to Ukrainians deported from Lemkivschyna, Nadsiania, Pidliashia and Holmschyna was set up, area of 0.06 ha. 3) the square on S.Bandery Street (opposite 'Ukrtelecom' building), area of 0.18 ha; (4) the square where the memorial to people tortured in Chortkivska prison was set up, area of 0.36 ha; (5) the square on	Qualitative

#	Wave	City	Activity	Type
			Sichynsky Street (around IC hostels), area of 0.10 ha.	
12	1 <sup>st</sup>	Chortkiv	The site of land near high school # 5 was conserved for greenery by the decision of City Council.	Qualitative
13		Kamyanets-Podilsky	Within the framework of 'Terra-Heroica-2007' festival the campaign 'Swimming-pool by the Whole Community' took place. Its goal was to gather charitable contributions for swimming pool construction with support of Yana Klochkova	Qualitative
14	1 <sup>st</sup>	Chortkiv	A local botanical memorial 'PLATANS OF Z.I.DOVGALIUK", area of 0.01 ha at will be set up on land granted the by Chortkiv regional central hospital. In April, 2007, community public service activities such as cleaning the river banks, park, and other territories of the town took place. The cleaning of roadside belts from industrial rubbish on Kopychensky Street was arranged.	Qualitative
15	1 <sup>st</sup>	Chortkiv	The Department of Economic Development and the Deputy Mayor for Economic Issues have prepared a presentation of the "Western Industrial Zone; in Chortkiv." The presentation is ready in electronic form.  The tender to the site of land for construction and leasing of new market was held, allowing to remove the spontaneous market from the central part of the town. The winner took responsibility to renovate and ensure the proper state of the existing spontaneous market territory - make green plantations, flower-beds, and placing benches in place of the old market once vendors are moved to the new market location. The preparation of documents for a 3,000 sq.m area for construction of a gas station to service both drivers and passengers, a trade center, a cafe, a motel, and a drugstore on Kopychenska Street is under way. The preparation of documents for a site on Nezalezhnost Street, area of 6,600 sq.m. is also being completed, subject to sale through auction and construction of a business center with a hotel complex, bank and office premises. This site is in the micro district 'Kadub' (multistory building district).	Qualitative
16	2 <sup>nd</sup>	Kamyanets-Podilsky	The construction of the trade-entertainment complex 'Liodovy Palats' with three video halls has begun.	Qualitative
17	2 <sup>nd</sup>	Kamyanets-Podilsky	The seminar "Role of Tourism Clusters in Tourist Infrastructure Development" was held for the delegation from Poltava oblast.	Qualitative
18	2 <sup>nd</sup>	Kamyanets-Podilsky	The system of video-observation for security of residents and tourists was put into operation	Qualitative
19	2 <sup>nd</sup>	Kamyanets-Podilsky	The new hotel complex 'Hala- Hotel' was put into operation; The new hotel complex 'Seven Days' was put into operation; The new hotel complex 'Ksenyia' was put into operation.	Qualitative
20	2 <sup>nd</sup>	Kamyanets-Podilsky	The public organization for small and medium-scale business promotion 'Innovation-Investment Center' was established; the grand celebration of The Businessperson Day was held, the best taxpayers, also public leaders, and donators were awarded. The subjects of small and medium-scale business were granted financial support to reimburse their interest amounted to UAH 177 thou	Qualitative
21	2 <sup>nd</sup>	Kamyanets-Podilsky	The renewal of the city webside with new investment proposals is carried out on a regular basis.	Qualitative
22	2 <sup>nd</sup>	Kamyanets-Podilsky	The Fourth Fair of investment projects and the seminar 'Investment-Industrial Parks as a Form of Attracting Investment in the Regional Economy' and a presentation of the investment potential of the city and oblast were held.	Qualitative
23	2 <sup>nd</sup>	Kamyanets-Podilsky	The project for an investment-industrial park has been developed; its promotion is under way.	Qualitative
24	2 <sup>nd</sup>	Brovary	25 investment projects with a total value of 64,686.35 thousand UAH were implemented.	Qualitative
25	2 <sup>nd</sup>	Brovary	Aiming at improving the image of Brovary both in Ukraine and abroad, the city distributed a two-language Investment Passport during the celebration of City Day.	Qualitative
26	2 <sup>nd</sup>	Yevpatoria	A number of training seminars and working meetings to discuss the strategic planning methodology and to draft the City of Yevpatoria Social Development Strategic Plan for the Period up to 2015 were held.	Qualitative
27	2 <sup>nd</sup>	Yevpatoria	On September 12, 2007, the draft Mid-Term Plan was submitted for consideration to the Mayor's Public Committee, and was approved in whole, whereas all amendments discussed by the Monitoring Committee members have been included in the draft of this document. On September 14, 2007, the City Council Executive Committee approved the Resolution "On approving the City of Yevpatoria Mid-Term Social and Economic Development Plan for the Period of 2008-2011.	Qualitative
28	2 <sup>nd</sup>	Yevpatoria	Aiming at supporting national programs to develop the spa and tourism sectors, the Yevpatoria Spa and Tourism Association was created and registered. Its membership includes representatives of spa and resort organizations, hotels and travel agencies.	Qualitative
29	2 <sup>nd</sup>	Yevpatoria	Billboards with social advertising of city historical and architectural monuments were produced and put up.	Qualitative

#	Wave	City	Activity	Type
30	2 <sup>nd</sup>	Yevpatoria	Advertisement flyers about Yevpatoria were placed in long-distance trains and public transportation vehicles.	Qualitative
31	2 <sup>nd</sup>	Yevpatoria	The plan for the Shore Protection and Beach Restoration Works in the City of Yevpatoria Project was prepared and sent for expert evaluation.	Qualitative
32	2 <sup>nd</sup>	Yevpatoria	The City Council prepared and passed City Beautification Rules.	Qualitative
33	2 <sup>nd</sup>	Yevpatoria	The Steering Committee has considered the following issues: implementation of the City of Yevpatoria Employment Program for 2006 and goals for 2007, social responsibility of employers, and schedule of activities for the Steering Committee to Support Employment in Yevpatoria in 2007	Qualitative
34	2 <sup>nd</sup>	Yevpatoria	City Council Ordinance #358 of 06.08.2007 "On Approving the Composition of the Working Group to Draft and Implement the City of Yevpatoria Employment Program for 2008-2009" was passed.	Qualitative
35	2 <sup>nd</sup>	Yevpatoria	To ensure the protection of rights of hired workers, the City Council Department for Labor and Social Assistance informs the employers about changes in the labor legislation. During 8 months of 2007, materials on procedures for concluding collective work agreements, reminders for employers and owners of companies of various types of ownership which have hired workers and have the status of legal persons about the need to conclude collective work agreements in compliance with the Law of Ukraine "On Collective Contracts and Agreements" and registering the agreements in due order (the Yevpatoriskaja Zdravitsa newspaper, #9 of 01.17.2007)	Qualitative
36	2 <sup>nd</sup>	Yevpatoria	In September of the current year, the Soyuz-92 Manufactured Goods Market with the capacity of 148 vending sites was opened (736 Pobedy Ave.)	Qualitative
37	1 <sup>st</sup>	Kalush	Negotiations were conducted with representatives of the KarpatyNaftoKhimProm Company on providing information on available land plots and buildings on the territory of the industrial zone of the city, which are planned to be vacated by the KarpatyNaftoKhimProm Close joint-Stock Company (CJSC).	Qualitative
38	1 <sup>st</sup>	Kalush	Pp-to-date technologies, materials and equipment used in road repair are examined. Suppliers that possess the needed technologies, materials and equipment are identified. A respective database is created.	Qualitative
39	1 <sup>st</sup>	Kalush	Funds to draw up "passports" of roads (streets, alleys, etc.) are sought.	Qualitative
40	1 <sup>st</sup>	Kalush	A task force to develop a city roads maintenance and repair program is formed.	Qualitative
41	3 <sup>rd</sup>	Yuzhne	The Novyny Yuzhnoho newspaper has a page for entrepreneurs.	Qualitative
42	3 <sup>rd</sup>	Yuzhne	Yuzhne City Council Executive Committee Ordinance #645 of 07.10.2007 approved the composition and Regulations on Advisory Committee to Attract Investments in Yuzhne.	Qualitative
43	3 <sup>rd</sup>	Yuzhne	The Department of Economy prepared an Information Bulletin for the City of Yuzhne. The value of the project was 10.0 thousand UAH. The Mig Yuzhne City TV Company prepared a film about the city.	Qualitative
44	3 <sup>rd</sup>	Yuzhne	The city stand was designed and manufactured and modern multi-media equipment were purchased for 35.0 thousand UAH.	Qualitative
45	3 <sup>rd</sup>	Yuzhne	The Yuzhne city web site is functional: <a href="http://www.yuzhny.org">www.yuzhny.org</a>	Qualitative
46	3 <sup>rd</sup>	Yuzhne	To provide the city with business and social infrastructure facilities, the Yuzhne City Council made a decision to allocate a land plot to the APFO-2, Ltd. for the construction of a residential building and construction of 16-storeyed buildings with parking in Residential District #2.	Qualitative
47	3 <sup>rd</sup>	Yuzhne	To provide the city with business and social infrastructure facilities, the Yuzhne City Council made a decision to allocate a land plot for the construction of a small-family type residential building in Residential District #4. In 2007, the second section of the IV-02A residential building at 28 Novobilyarska St. (Sections 3 and 4) were put into operation. City planning documents are being prepared to construct a building for city medical staff. The construction of a building for teachers is at the design stage.	Qualitative
48	3 <sup>rd</sup>	Yuzhne	Three utility companies function in the city: "ZhED#1, #3, #4". There are 5 condominium associations. YuhInvestServis Private Company was created.	Qualitative
49	3 <sup>rd</sup>	Yuzhne	The City Council passed the Ordinance "On Allowing the Department for Architecture and City Planning to Perform the Pre-Project Adjustment of the Detailed Plan of the Seafront Park and a Leisure Center " (August 2007).	Qualitative
50	3 <sup>rd</sup>	Mykolaiv	To conduct information and consultative campaigns to support business activities, the city in cooperation with State Tax Service bodies and business associations conducted 8 seminars on changes in the tax legislation. Similar work is being performed with entrepreneurs in city rayons (12 seminars) and rayon employment agencies of the city of Mykolaiv (20 seminars on how to launch a business). A number of personal consultations were provided.	Qualitative
51	3 <sup>rd</sup>	Mykolaiv	10 exhibition fairs with participation of more than 600 entrepreneurs from the city were conducted at the Expo-Mykolaiv exhibition facility during the first half of 2007 according to the set of actions to improve the business image of the city within the Program for Small Business Development in Mykolaiv for 2007 - 2008.	Qualitative



#	Wave	City	Activity	Type
52	3 <sup>rd</sup>	Mykolaiv	The Department for City Property initiated a set of actions to take inventory of the property owned by the territorial community. Presently immovable property database tables have been prepared, new forms for data entry and database tables were created, and the information was entered in the database. The work in this area continues.	Qualitative
53	3 <sup>rd</sup>	Mykolaiv	Presently, there are 210 condominium associations in Mykolaiv. 16 self-organization bodies comprising 25% of the city population were registered. The Mykolaiv community was actively involved in the creation of a new city infrastructure management system based on the creation of condominium associations and active cooperation with executive departments of the City Council and NGOs in the housing and utility sector.	Qualitative
54	3 <sup>rd</sup>	Mykolaiv	The Water Supply and Sewage Development investment project prepared by the Mykolaiv City Executive Committee was selected the winner of the National Competition of Local Government Support Projects and a 920.0 thousand UAH grant was given to the city. The title of the Project is: "Integrated Implementation of the Program to Reform the Housing and Utilities Sector of the City of Mykolaiv through Introduction of New Energy Saving Technologies and Improving Managerial Systems". In addition to this, Mayor Chaika defended a 2-year energy saving project for installation of insulation systems in the Zavodskiy Rayon of the city. The total budget of the project is 20,880.0 thousand UAH for Year 1 and 10,440.0 thousand for Year 2.	Qualitative
55	3 <sup>rd</sup>	Mykolaiv	The work to create a new General City Lay-Out Plan performed by the Kyiv-Dipromisto Research Institute is currently underway. As of today, the planning limitation scheme and analysis of the implementation of the present Lay-Out Plan were performed. Data for the new Lay-Out Plan were collected and processed. The development of the city location in the settlement system, city planning calculations, preparation of supporting lay-out plan drawings, inspection of industrial territories, surveys of companies, implementation of the plan for current industrial territories and sanitary norms, and discussions of the future transportation network are currently underway. Funds to the National Scientific and Research Dipromisto Design Institute, design organization, are transferred according to the contract.	Qualitative
56	3 <sup>rd</sup>	Mykolaiv	To introduce modern technologies and create a GIS-oriented database based on the inventory results the city creates an automated database of land plots in the city of Mykolaiv.	Qualitative
57	3 <sup>rd</sup>	Mykolaiv	The city investment portfolio consists of 37 investment projects, many of which are critically needed by the city. These include the construction of the bridge across the Buh river (400 million USD), modernization of water supply and sewage systems in the city (MykolaivVodoKanal Company, almost 28 million €), replacement of special transportation vehicles and garbage containers with the aim of proper collection and removal of solid waste in the city of Mykolaiv, (15.6 million \$), construction of water treatment facilities (50 million \$), construction of solid waste processing plant with the annual capacity of 240,000 tons (12 million USD), municipal gas turbine power station (17.3 million USD), etc. The portfolio also includes utility company investment projects. The total volume of the investment portfolio constitutes 39 million USD. The list of property and land plots to be allocated or sold to investors will be put together after the General City Lay-Out Plan of Mykolaiv is approved. Presently, 12 projects for allocation of land to be sold through auction or leased are ready.	Qualitative
58	3 <sup>rd</sup>	Mykolaiv	City Council Ordinance #13/40 of 07.04.07 "On Approving the City Program for Attraction of Domestic and Foreign Investments to the City of Mykolaiv for 2007-2011" was approved at the City Council session. The Program consists of 13 chapters and 10 annexes.	Qualitative
59	3 <sup>rd</sup>	Mykolaiv	City companies receive information and invitations to regional and inter-regional exhibitions and fairs on a regular basis. They also have an opportunity to participate in meetings, roundtable discussions aimed at creating mutually beneficial conditions for cooperation. To create a positive investment image of the city of Mykolaiv and prepare a program for attraction of domestic and foreign investments, 3 series of Mykolaiv on the World Map CDs were issued in 1 thousand copies and a Mykolaiv Welcomes Guests photo album about tourist sites in the city in 2 thousand copies was published. The XXI Century Mykolaiv brochures were published in 1 thousand copies in Ukrainian and 1 thousand copies in Russian and English. An Industrial and Investment Mykolaiv movable stand was produced, which was exhibited at fairs in Moscow, Hannover (Germany) and Trieste (Italy). Works on disseminating investment opportunities of Mykolaiv through the Internet and other media are currently underway.	Qualitative
60	3 <sup>rd</sup>	Lutsk	Lutsk City Council Ordinance #15/17 of 07.04.2007 "On making Amendments to Lutsk City Council Ordinance #9/22 of 12.27.2006 "On Fees for Obtaining Permits to Place Shopping and Service Facilities in the City of Lutsk" abolishes the permits for placing shopping and service facilities.	Qualitative
61	3 <sup>rd</sup>	Lutsk	Professional orientation classrooms were opened at some city secondary schools. An agreement on cooperation was signed between the Lutsk City Council and Lutsk employment agency.	Qualitative



#	Wave	City	Activity	Type
62	3 <sup>rd</sup>	Lutsk	Training groups were set up to provide optional training courses to pupils in 8th and 9th grades and to provide specialized training in vocational courses.	Qualitative
63	3 <sup>rd</sup>	Lutsk	While staffing educational establishments, attention is being paid to the selection of trainers with proper qualifications to provide training in vocational classes.	Qualitative
64	3 <sup>rd</sup>	Lutsk	On August 6-8, 2007, the city officials paid a visit to the Lublin City Administration within the framework of the Trans-Border Cooperation between Lublin, Lutsk, Lviv, and Ivano-Frankivsk; on September 7-9, a meeting with representatives from Zamosc (Poland), a partner city, dedicated to cooperation in tourism promotion took place. The topic of the meeting was Partner Cooperation as an Opportunity to Conquer and Search for New Tourism Markets.	Qualitative
65	3 <sup>rd</sup>	Rivne	A Business Activities Training Course is being introduced to the high school curriculum. This will enable school graduates to apply this knowledge in practice. In addition, an Entrepreneurship in Action – Junior Achievement Ukraine course teaches schoolchildren the basics of market economy, the role of business in the country's economy, basics of business organization, and product manufacture and marketing.	Qualitative
66	3 <sup>rd</sup>	Rivne	Contracts with business entities are concluded on a regular basis. Since the beginning of the year, the Rivne employment agency conducted 14 seminars in professional orientation in major specialties of the labor market for youth, 23 seminars in training orientation, and 8 presentations of the most popular jobs (cook, gas and electricity welder, tailor, construction jobs, turner, etc.).	Qualitative
67	3 <sup>rd</sup>	Rivne	Employment information is disseminated through the radio (local network), employment agency newspaper, and at quarterly vacancy fairs. Immediate openings are published in the Oho and Afisha newspapers.	Qualitative
68	3 <sup>rd</sup>	Rivne	The Rivne Trade and Industrial Chamber disseminates promotional and presentation materials during various international events. With the assistance of the RivneInvest Investment Promotion Agency presentation materials about the city of Rivne were published in Ukrainian and English. The booklet is entitled "Rivne – Good Choice for Business and Living" and was printed in 2 thousand copies.	Qualitative
69	3 <sup>rd</sup>	Rivne	The city in cooperation with the Rivne Trade and Industrial Chamber takes an active part in exhibitions, presentations, and seminars in Ukraine and abroad. Press conferences and briefings are constantly held in the city.	Qualitative
70	3 <sup>rd</sup>	Rivne	The Rivne Regional Office of the Association of Ukrainian Cities and Communities provides regular training and advocacy services to local government officials.	Qualitative
71	2 <sup>nd</sup>	Drohobych	On 08.31.2007, the Executive Committee of the Drohobych City Council passed Resolution # 233 "On Creating the Steering Committee on Tourism Development Acting under the Executive Committee of the Drohobych City Council"	Qualitative
72	2 <sup>nd</sup>	Drohobych	A Vezha Ratushi Project [City Hall Tower] is at the implementation stage; the cost of the program is 80 thousand UAH allocated from the city budget.	Qualitative
73	2 <sup>nd</sup>	Drohobych	The Vezha Ratushi tourist route was presented to international guests consisting of official delegations from partner cities invited to celebrate the Drohobych City Day on September 21, 2007.	Qualitative
74	2 <sup>nd</sup>	Drohobych	The Boikivska Drohobychchyna festival was held on September 22, 2007.	Qualitative
75	2 <sup>nd</sup>	Drohobych	The 2007 Foreign Trade and Promotional Activities of Drohobych City Executive Departments Program was transformed into the City of Drohobych Day - 2007 Program.	Qualitative
76	1 <sup>st</sup>	Ivano-Frankivsk	The land database is constantly updated and replenished. Software enabling monthly calculations of rent payments was installed. Information on vacant premises owned by the community and which on a competitive basis are offered for lease or auction sale is regularly published in the Zakhidnyi Kurier local newspaper.	Qualitative
77	1 <sup>st</sup>	Ivano-Frankivsk	Works were performed to allocate an additional land plot for the Ukrainian Domestic Appliances Company, Ltd. to construct manufacturing facilities. Permit documents were given to the Tyco Electronics Company.	Qualitative
78	1 <sup>st</sup>	Ivano-Frankivsk	As of 9.30.2007, the city of Ivano-Frankivsk has formal sister-city ties with 16 foreign cities and partner relationships with 26 cities from abroad. Over 9 months of 2007, 25 foreign trips were organized and 32 international delegations visited the city. Active exchange programs are maintained between the children and teenage groups from Polish cities of Chszanow, Opole, Rybnik, Mielec, Ochota District in Warsaw, Lithuanian cities of Trakai and Antakalnsk, etc.  In June 2007, a Letter of Intention to establish partner cooperation between the cities of Swidnica (Poland) and Ivano-Frankivsk was signed.  The city economic, tourist, investment, and cultural potential was presented in the Polish cities of Chszanow, Swidnica, Rzeszow, Lublin, and Rybnik, Romanian cities of Baia-Mare and Brasow, Latvian city of Yelgava, and Lithuanian cities of Vilnius and Trakai. In cooperation with the West Ukrainian Foreign Investment Promotion Agency a Business Ivano-Frankivsk guide was published. The guide contains	Qualitative

#	Wave	City	Activity	Type
			information on city industrial enterprises, banking institutions, hotels, and travel agencies.	
79	1 <sup>st</sup>	Ivano-Frankivsk	The Business Ivano-Frankivsk Guide was published in two languages; Ivano-Frankivsk Guide CD was issued in 4 languages.	Qualitative
80	1 <sup>st</sup>	Ivano-Frankivsk	The city economic, tourist, investment, and cultural potential was presented in the Polish cities of Chszanow, Swidnica, Rzeszow, Lublin, and Rybnik, Romanian cities of Baia-Mare and Brasow, Latvian city of Yelgava, and Lithuanian cities of Vilnius and Trakai.	Qualitative
81	1 <sup>st</sup>	Ivano-Frankivsk	Activities were performed in compliance with the Tourism Development Program. City travel agencies participate on a regular basis in tourism exhibitions, fairs and forums in Ukraine and abroad. The city organized exchange visits for children and youth tourist groups from many cities.	Qualitative
82	1 <sup>st</sup>	Ivano-Frankivsk	Two bowling clubs were opened in August. A paintball club was opened.	Qualitative
83	1 <sup>st</sup>	Ivano-Frankivsk	New seasonal tourist flights to Montenegro and Turkey were opened.	Qualitative
84	1 <sup>st</sup>	Ivano-Frankivsk	Joint meetings of the City Human Resources Center, directors of light and machine building sector enterprises, and directors of vocational schools were conducted in September 2007 to discuss training and supply of skilled labor to the city industrial enterprises.	Qualitative
85	1 <sup>st</sup>	Ivano-Frankivsk	A schedule of visits of city employment agency representatives to high schools to perform professional orientation for senior students was prepared.	Qualitative
86	1 <sup>st</sup>	Ivano-Frankivsk	In June 2007, Delfi, an American company, started assembling automobile electronic equipment, thus allowing to open 70 jobs. Presently the manufacturing facilities are expanding and additional 200 people will be employed by the end of the year. To pursue this goal, the workers are being trained in the Czech Republic and Slovak Republic. In addition to this, the Rodon Open Joint-Stock Company (OJSC) started to manufacture electronic devices, which allowed to create employment opportunities to 110 workers, who have been and presently are being trained by Polish experts, and who received their qualification in Poland.	Qualitative
87	1 <sup>st</sup>	Ivano-Frankivsk	The Science and Technological Park (STP), which operates under the National University of Oil and Gas was registered in 2007.	Qualitative
88	1 <sup>st</sup>	Ivano-Frankivsk	Over 9 months of 2007, the reconstruction of networks was performed according to the prepared schedule. 3.6 km of heat distribution networks were replaced with preinsulated pipes. 1.23 million UAH was spent. The Ivano-Frankivsk Teplokomunenerho and Ivano-Frankivsk Vodoekotekhprom companies do not include investment costs into tariffs.	Qualitative
89	1 <sup>st</sup>	Ivano-Frankivsk	Ivano-Frankivsk has increased the number of landfills from 7 to 18 and increased the number of specialized solid waste collection sites to 44. A plan to construct 150 such sites is being prepared. These sites are planned to be constructed based on the results of the Project extension. A 719 thousand UAH contract with the Ekotekhhkomplekt. Ltd., the winner of the tender, was concluded to supply 336 solid waste containers including 201 containers for regular solid waste collection and 135 containers for sorted solid waste collection.	Qualitative
90	1 <sup>st</sup>	Ivano-Frankivsk	A solid waste sorting plant is being constructed where the KIC-10 sorting line will be installed.	Qualitative
91	3 <sup>rd</sup>	Chernivtsi	City residents are surveyed about the city brand. A creative group consisting of scientists, representatives of the City Council, travel agencies, journalists, and NGOs was selected to design the Chernivtsi brand.	Qualitative
92	3 <sup>rd</sup>	Chernivtsi	The concept of the tourist brand of Chernivtsi and its promotional strategy are in the design stage.	Qualitative
93	3 <sup>rd</sup>	Chernivtsi	The Tourist Information Center (TIC) continues its activities in accordance with the agreement on cooperation between the Department of Economy and the Tourist Bukovyna Association. According to the schedule of activities, a visit to the Kamianets-Podilsky TIC was paid (learning their experience and structural arrangement).	Qualitative
94	3 <sup>rd</sup>	Chernivtsi	The Tourist Chernivtsi web portal has a photo gallery about Chernivtsi which is now replenished by old and modern pictures.	Qualitative
95	3 <sup>rd</sup>	Chernivtsi	The work to implement the Integrated Chernivtsi Cultural Heritage Preservation Program for the Period of 2004-2008 (City Council Ordinance # 541 of 08.26.2004), including restoration works of the architectural complex of the O.Kobylyanska St., and Tsentralna and Teatralna Squares and other items is underway.	Qualitative
96	3 <sup>rd</sup>	Chernivtsi	The work to create a tourist portal with the placement of the necessary multi-lingual information and messages to potential markets and with the possibility of making electronic reservations is at its final stage. Address: <a href="http://www.city-tour.cv.ua/">http://www.city-tour.cv.ua/</a>	Qualitative
97	3 <sup>rd</sup>	Chernivtsi	In accordance with the cooperation agreement between the cities of Kamyanets-Podilsky and Chernivtsi, the possibility of exchanging tourist information and creating joint tourism routes is under consideration. Promotion of the city tourism potential in the city of Sucava "Iakius tourism" through the Tourist Bukovyna Association, a partner organization, is under consideration.	Qualitative
98	3 <sup>rd</sup>	Chernivtsi	On 07.13.07, in cooperation with the Regional Training Center for Training Governmental Officials and with participation of NGOs and the tourism organization from Sucava (Romania) a roundtable discussion on the Role of Documentary Movies and Advertising in Promoting Joint Cultural Heritage of Bukovyna was held.	Qualitative
99	3 <sup>rd</sup>	Chernivtsi	Cooperation between the Department for Economy and the Chernivtsi Industrial Economy Vocational School was initiated in accordance with the agreement on cooperation of 07/30/07. The possibility for on-the-job training of hotel and restaurant industry employees at	Qualitative

#	Wave	City	Activity	Type
			Chernivtsi educational establishments and local affiliations of Kyiv educational establishments is under consideration. A working meeting of scientists and entrepreneurs from these sectors to identify the type of training was held in September.	
100	3 <sup>rd</sup>	Chernivtsi	A city tourist assets database is constantly updated with new information. Translation into English started. Event tourism activities until the end of 2007 are prepared.	Qualitative
101	3 <sup>rd</sup>	Chernivtsi	22 travel agencies, 2 transportation companies and 14 entrepreneurs selling souvenirs took part in the Petrivskiy Fair.	Qualitative
102	3 <sup>rd</sup>	Chernivtsi	Joint steps are taken with the Superkros public organization to prepare a commercial on Chernivtsi European Tournament in Automobile-Moto-Bicycle Cross Country Races. Promotional materials are being prepared together with the "Extreme Bukovyna Tourism" Oblast Sport Tourism Federation.	Qualitative
103	3 <sup>rd</sup>	Chernivtsi	The books on Chernivtsi Monuments, Natural History Tourist Guide, and 100 Famous Chernivtsi Addresses were published in cooperation with the Center for Bukovyna Studies at the CNU.	Qualitative
104	3 <sup>rd</sup>	Chernivtsi	In cooperation with the Department for Tourism of the Oblast State Administration (OSA) and city travel agencies, a list and contents of city excursions (themes, sites, duration, etc.) was prepared. These tours will be placed in the web-portal.	Qualitative
105	3 <sup>rd</sup>	Chernivtsi	An agreement on cooperation between the Department of Economy and the Chernivtsi Industrial and Economic Vocational School was signed. The School will provide its facilities to set up a training tourism company with participation of the Tourist Information Center. The proposals of the Department of Economy on cooperation with local vocational schools to train workers for the hotels and restaurants business are at the stage of consideration.	Qualitative
106	3 <sup>rd</sup>	Chernivtsi	On 08.29.07 the Zhovtnevy Park Infrastructure Development Selection Committee considered 4 additional investment proposals on beautification and placement of recreational facilities in the park: - children café with a boat station; - sports and health-improvement center; - tennis court; - snow tubing track. The previously designed 6 leisure and entertainment infrastructure projects are in the implementation stage.	Qualitative
107	3 <sup>rd</sup>	Chernivtsi	Working relationships were established with UkrInvest, the Ukrainian Investment Promotion Agency.	Qualitative
108	3 <sup>rd</sup>	Chernivtsi	A schedule of exhibitions and forums was developed. Companies receive information on such exhibitions and forums through the City Council website or by telephone. They participated in investment forums in Ternopil, Sevastopol, Lviv, and Sucava (Romania).	Qualitative
109	3 <sup>rd</sup>	Chernivtsi	During the reporting period, 39 consultations were provided to local companies on preparation of their investment projects, housing and utilities companies were assisted in creating their development strategies for the period up to 2011 and preparing their investment proposals.	Qualitative
110	3 <sup>rd</sup>	Chernivtsi	A multi-language presentation of investment opportunities in Chernivtsi is at the placement stage for the website. The mock-up version of the Chernivtsi Investment portal was created. It includes information about the business climate, labor market, living standards, infrastructure and market surveys, on-line consultations, and latest news published in the e-bulleting format. Some part of this information is placed at <a href="http://www.rada.cv.ua">www.rada.cv.ua</a>	Qualitative
111	3 <sup>rd</sup>	Chernivtsi	A package of new promotional materials (PowerPoint presentation about Chernivtsi, Chernivtsi Bulletin, CD, mock up version of the folder with information on land plots) was prepared.	Qualitative
112	3 <sup>rd</sup>	Chernivtsi	A CD electronic presentation of city investment opportunities was created.	Qualitative
113	3 <sup>rd</sup>	Chernivtsi	A new concept for dissemination of all promotional materials to major target groups (investors or their representatives) was prepared.	Qualitative
114	3 <sup>rd</sup>	Chernivtsi	Information on investments in competing cities is tracked on a regular basis (in media) as well as through the participation in the LED Project.	Qualitative
115	3 <sup>rd</sup>	Chernivtsi	A unified format for investment attraction and partner cooperation proposals from local companies was developed. A database is being created. The form for potential investors placed on the City Council and Oblast Administration web sites.	Qualitative
116	3 <sup>rd</sup>	Chernivtsi	A live program was aired by the oblast TV company about the status of attracting FDI in the city economy dedicated to the promotion of industrial zones.	Qualitative
117	3 <sup>rd</sup>	Chernivtsi	The Chernivtsi City Council was a co-organizer of an International Scientific Conference on Structural and Institutional Changes and Investment and Innovation Development of the Region.	Qualitative
118	3 <sup>rd</sup>	Chernivtsi	An investor's Road Map was prepared to make the procedures for future investors more informed and transparent.	Qualitative
119	3 <sup>rd</sup>	Chernivtsi	The executive departments of the City Council created a transparent system for drafting regulatory documents in the area of entrepreneurial activities in the city. In compliance with the Law of Ukraine "On Foundations of the National Regulatory Policy in the Area of Economic	Qualitative

#	Wave	City	Activity	Type
			Activities”, draft regulatory documents together with their discussion are published in the Chernivtsi Newspaper and on the official web site of the City Council. Comments and suggestions of representatives of the city territorial community are taken into consideration while approving the regulatory documents. Over 9 months of 2007, 10 regulatory documents were adopted.	
120	3 <sup>rd</sup>	Chernivtsi	In the current year, business entities of the city conducted a round table discussion on the draft regulatory document “Regulations on the Procedures of Including Shopping and Service Facilities in the City of Chernivtsi Database and Establishing Their Customer-Friendly Operation Hours”; a meeting of government and business representatives to celebrate Entrepreneur Day was held; roundtable discussion of the implementation of the project “On Promoting Public Interests in the Area of Municipal Tax Policy” through the design and implementation of a transparent mechanism of calculations for unified tax rates for business entities represented by physical persons was held. According to the 2007 schedule of exhibitions, over 9 months of the current year, small businesses organized the following exhibition fairs: "Vesnyany Podarunok", "Bukovynska Vesna", "Energy Saving. Construction", "Summer. Leisure. Tourism", "Autumn Has Set in", a tourist fair, and Petrivskiy Fair. About 500 business entities of the city and oblast and representatives of 154 oblasts were involved in the Petrivskiy Fair.	Qualitative
121	3 <sup>rd</sup>	Chernivtsi	The Lutsk experience in guaranteeing loans and credits was examined.	Qualitative
122	3 <sup>rd</sup>	Chernivtsi	The communication of the employment agency with employers, local government bodies and trade unions, aimed at moving employment out of the shadow and creating decent working conditions and salaries became more active. Roundtable discussions of enhanced social partnerships as a way to resolve employment problems were held.	Qualitative
123	3 <sup>rd</sup>	Chernivtsi	A working group studies the experience of business incubator activities in other Ukrainian cities.	Qualitative
124	3 <sup>rd</sup>	Chernivtsi	As of 09.01.2007, the integrated national expert evaluation of the design documents for the reconstruction of the Chernivtsi International Airport was performed. The tender to select the contractor was organized and the winner identified. Financing sources were identified and starting with 09.15.2007 reconstruction activities began.	Qualitative
125	3 <sup>rd</sup>	Chernivtsi	The city is examining the issue of allocating a land plot for the construction of a logistics center. The land allocation documents to locate the industrial zone for the strategic (anchor) investor near the Lukianovych St. were prepared. Proposals on this issue are planned to be submitted for consideration by the City Council.	Qualitative
126	3 <sup>rd</sup>	Chernivtsi	To support the creation of the European Baltic Sea – Black Sea transportation corridor the city put up informational road signs for the Ternopil-Chernivtsi and Chernivtsi-Sucava routes with inscriptions in Latin fonts.	Qualitative
127	3 <sup>rd</sup>	Chernivtsi	To improve the image of Chernivtsi as a tourist city, the city Council, prepared an innovation project to restore tourist attractions, buildings and their patios. The project envisions opening of a Renaissance café and the Old Chernivtsi Museum in the patio located at 7-8 Tsentralna Square. The museum will feature separate episodes and lifestyle of Bukovyna residents, national and Hutsul cuisine, and will offer crafts items and souvenirs (In 2008, the Navkolo Svit Travel Agency will open a mini-hotel there and Tryum café club). All these attractions will be included into excursion itineraries in downtown Chernivtsi.	Qualitative

#### IR 4.1.1 — Improved management of municipal services and assets.

#	Wave	City	Activity	Type
1	1 <sup>st</sup>	Chortkiv	Presentation of Chortkiv investment opportunities is created.	Qualitative
2	3 <sup>rd</sup>	Vinnytsia	The multilingual investment-promotion directory has been created. UAH 19.9 thou. were allocated from the city budget to develop the electronic investment map of the city according to the City Council decision.	Qualitative
3	3 <sup>rd</sup>	Vinnytsia	The city visitors card/guide has been developed.	Qualitative
4	3 <sup>rd</sup>	Vinnytsia	21 regional companies, including 9 from Vinnytsya submitted their applications to take part in the project “Vinnyts’ka Oblast Presentation in EU countries’. The Project presumes promotion of investment opportunities of city and regional companies in six European countries: Poland, Slovakia, Czechia, Germany, Austria, and Italy.	Qualitative
5	3 <sup>rd</sup>	Vinnytsia	The city investment opportunities database includes 317 companies and organizations in Ukraine and abroad	Qualitative
6	3 <sup>rd</sup>	Vinnytsia	The bilingual directories concerning the main tourism routs in Vinnytsia, historical and cultural sights, and famous people whose activities related to Vinnytsia region was created.	Qualitative
7	1 <sup>st</sup>	Chortkiv	Agreement with representatives from the Institute of Entrepreneurship and Business concerning cooperation and project elaboration has been concluded.	Qualitative
8	3 <sup>rd</sup>	Vinnytsia	The concept of investment proposal making, also of the information portfolio in the Internet and the visiting card ‘Vinnytsya – Proposals for	Qualitative

#	Wave	City	Activity	Type
			Cooperation' has been carried out .	
9	3 <sup>rd</sup>	Vinnytsia	SC 'Dipromisto' has completed the analysis of the existing industrial zones. {proposals concerning their rational use will be made after General plan completion	Qualitative
10	3 <sup>rd</sup>	Vinnytsia	Three working meetings have been held to consider the main sections of General Master Plan with graphic materials presentation.	Qualitative
11	3 <sup>rd</sup>	Vinnytsia	The City Council has taken the following decisions: • Of September 22, 2007 #479 'On accessing the objects of water supply and water discharge to communal ownership of territory community of Vinnytsia carrying out and establishing of Vinnytsia city communal enterprise 'Vinnytsyamiskvodocanal' ' • On September 22, 2007 #480 'On consent to access the whole property complex – PC 'Vinnytski Teplovi Merezhi' to communal ownership of Vinnytsia territory community	Qualitative
12	3 <sup>rd</sup>	Vinnytsia	The concept of the business development working group have been approved by the City Coordination Committee. The staff of the working group have been approved. One of the first tasks of the working group is determining problematic issues of entrepreneurship in the city.	Qualitative
13	3 <sup>rd</sup>	Vinnytsia	A business section has been created in the city's web portal.	Qualitative
14	3 <sup>rd</sup>	Vinnytsia	The register of services rendered by the city employment and recruiting agencies has been created.	Qualitative
15	3 <sup>rd</sup>	Vinnytsia	The Vinnytsia Center for Social Partnership has established the methodological base for seminars and trainings. Three educational seminars and one training on professional staff for business preparation and retraining were conducted.	Qualitative
16	3 <sup>rd</sup>	Vinnytsia	The Department for Family, Youth and Tourism issues in the City Council together with other structural departments conducted professional orientation for students during the third quarter. The Executive Committee of City Council has also made a decision 'On holding the competition of business-plans among young businesspersons and university students'. It is planned for October, 2007.	Qualitative
17	3 <sup>rd</sup>	Vinnytsia	A call-center consulting service on entrepreneurship development has been set up.	Qualitative
18	1 <sup>st</sup>	Chortkiv	Major road repairs were carried out on the following streets: - Nezalezhnosti, - Shevchenka, - Zelena, - Pitushevicha, - Mlynars'ka, - Kopychynets'ka, - Volodymyra Velykoho, - Honchara, - Nosa, - Bandery	Qualitative
19	1 <sup>st</sup>	Chortkiv	The town is completely provided by two-rate electricity meters - 6 meters have been bought, - 33 new modern lamps with natrium bulbs were installed - the electric lighting of Ohienka, Ol'zhych, Bohuna, Chaikovskoho, Kobylans'koi streets were partly restored	Qualitative
20	1 <sup>st</sup>	Chortkiv	Three new routs have been opened in Chortkiv: - «Iva - Syniakovo Club», - «Agromash - Chortkiv Gas», - «Bus Station - High School # 6 through Haharina and Kobylans'koi streets». OJSC 'Chortkivske MTE -16142 has bought five new buses I-Van.	Qualitative
21	1 <sup>st</sup>	Chortkiv	A large-scale check-up of route vehicles to assess the quality of services was conducted (with two representatives per bus).	Qualitative
22	1 <sup>st</sup>	Chortkiv	New playgrounds for children were established in several kindergartens. They city plans to equip all the playgrounds (some of them are completely new).	Qualitative
23	2 <sup>nd</sup>	Kamyanets-Podilsky	A new Program of Kamyanets-Podilsky population employment for the years 2008-2010 was developed.	Qualitative
24	2 <sup>nd</sup>	Kamyanets-Podilsky	Information web-oriented system about local companies (register of companies and businesspersons) created.	Qualitative
25	2 <sup>nd</sup>	Kamianets -	A one-stop permitting center was put into operation and 67 permits for objects of trading and service placement were issued	Qualitative



#	Wave	City	Activity	Type
		Podilsky		
26	2 <sup>nd</sup>	Brovary	Capital repairs performed on the following: the crossings of the Andreyev and Serov streets, Nezlezhnosti Boulevard and Chernyakhovskyi Street, Kutuzov and Krasovskyi streets. Capital repairs were also performed on some parts of the Osypov, Starotroitska, Budiveln, Zelena, B.Khmelnyskyi, Gastello, Kutuzov, Engelsa, Chkalov, Dymyrov, and Kirov streets. Capital repairs of the Nezalezhnosti Boulevard and Krasovskyi Street were combined with extension and reinforcement of their shoulders. Scheduled inspection of the technical condition of the road surface and patching of holes are performed on a regular basis.	Qualitative
27	2 <sup>nd</sup>	Brovary	Road surface signs were placed on central city streets. Two speed limitation devices were placed near Secondary School #3 and at the crossing of the Pushkin and Lenin streets. Facilities of the public transportation stops were repaired and beautified.	Qualitative
28	2 <sup>nd</sup>	Yevpatoria	141 consultations were provided to companies of all types of ownership on concluding and registering work agreements.	Quantitative
29	2 <sup>nd</sup>	Yevpatoria	Specialists of the Department for Labor and Social Policy inspected labor legislation compliance at local enterprises together with an expert from the State Territorial Labor Inspection of the city of Yevpatoria.	Qualitative
30	2 <sup>nd</sup>	Yevpatoria	A system for regular information dissemination to citizens on social and labor relations, including minimal salaries, work agreements, and vacations was put in place and announced in 16 media publications.	Qualitative
31	2 <sup>nd</sup>	Yevpatoria	The Crimean Entrepreneurship Support Fund continued its educational campaign to provide explanations for business entities about the procedures of getting financial assistance in the form of 70% compensation of the interest rate for loans obtained in banking institutions.	Qualitative
32	2 <sup>nd</sup>	Yevpatoria	To create proper conditions to implement the Law of Ukraine “On Integrated Reconstruction of Residential Blocks (Districts) of the Outdated Housing Stock”, City Council Ordinance #5-22/7 of August 30, 2007 introduced amendments to City Council Ordinance #4-34/22 of 09.29.2005 “On a Set of Actions to Provide Housing to Citizens Who Need Improvements of Their Living Conditions and Social Assistance, and Creating Temporary Housing Stock». (Calculations for investors who won the investment competition and are going to reconstruct the outdated housing stock are made at 5 % of the total floor space of residential buildings put into operation excluding the floor space constructed with the funds of the state or city budgets, as well as the floor space of owners of residential and non-residential buildings who vacated the outdated housing stock).	Qualitative
33	2 <sup>nd</sup>	Yevpatoria	City Council Ordinance #5-22/9 of August 30, 2007 “On Actions to Implement the Law of Ukraine ‘On Integrated Reconstruction of Residential Blocks (Districts) of the Outdated Housing Stock’” identifies the territories for such integrated reconstruction of Residential blocks (districts) of the outdated housing stock.	Qualitative
34	2 <sup>nd</sup>	Yevpatoria	To create a competitive investment environment and transparent procedures for decision making regarding investment projects and selection of landholders, City Council Ordinance #5-22/8, of August 30, 2007 approved a new version of Regulations on Competitions to Select Landholders	Qualitative
35	2 <sup>nd</sup>	Yevpatoria	The Landholder Selection Committee drafted and approved the following documents: applicant registration procedures, competition documents, document format, and competition requirements.	Qualitative
36	2 <sup>nd</sup>	Yevpatoria	in 2007, the corresponding materials were prepared and 3 city investment committee meetings were held to select landholders	Qualitative
37	2 <sup>nd</sup>	Yevpatoria	Seven holders of land plots were identified and 3 land plots were rented on a competitive basis. The city drafted the competition requirements, competition documents, and registered applicants. The competition identified 10 landholders and the total amount of investments constitutes 236,615.0 thousand UAH. The share for the development of social, engineering and transportation structure of the city constitutes 15,339.5 thousand UAH.	Qualitative
38	1 <sup>st</sup>	Kalush	Registry of city communal property has been compiled.	Qualitative
39	1 <sup>st</sup>	Kalush	A street sweeping truck has been purchased.	Qualitative
40	3 <sup>rd</sup>	Yuzhne	The list of immovable property owned by the Yuzhne city territorial community was approved.	Qualitative
41	3 <sup>rd</sup>	Yuzhne	Draft Regulations about the Yuzhne Business Support Fund were and finalized.	Qualitative
42	3 <sup>rd</sup>	Yuzhne	With the help of installation of gas burners, the YuzhTeplKomunEnerho saved 538 tons of conventional fuel.	Qualitative
43	3 <sup>rd</sup>	Yuzhne	Equipment for school cafeteria is purchased on a competitive basis. The financial and material base of children educational institutions was renewed: furniture and plates were purchased, and the computer class was reequipped in Kindergarten #5 (27.0 thousand UAH came from the local budget and 55.0 thousand UAH were given by the OI3 Open Joint-Stock Company (OJSC)).	Qualitative
44	3 <sup>rd</sup>	Yuzhne	Equipment for school cafeteria is purchased on a competitive basis. The financial and material base of children educational institutions was renewed: furniture and plates were purchased, and the computer class was reequipped in Kindergarten #5 (27.0 thousand UAH came from the local budget and 55.0 thousand UAH were given by the OI3 Open Joint-Stock Company (OJSC)).	Qualitative
45	3 <sup>rd</sup>	Yuzhne	Kindergarten equipment is purchased on a competitive basis.	Qualitative

#	Wave	City	Activity	Type
46	3 <sup>rd</sup>	Yuzhne	Partial repairs of the roof of School #1 were performed with sponsor funds (9.0 thousand UAH). Local budget funds in the amount of 30.0 thousand UAH were spent to make and install the entrance door at Vocational Training Center #2. Capital repairs of the computer room at School #3 were performed, 19.0 UAH were spent on this purpose. Linoleum surface was replaced with ceramic tiles, 7 windows and doors and 4 hot and cold water meters were installed in the Vocational Training Center named after V.Chornovil, 140.0 thousand UAH were spent on this. Playgrounds were built for 2 groups of the infant school, 30.0 thousand UAH were spent by the local budget on this. Cosmetic repairs were made at the Student Educational Center, 10.0 thousand UAH were spent on this.	Qualitative
47	3 <sup>rd</sup>	Yuzhne	150 windows were replaced in the building of Children's Educational Establishment # 4, 300.0 thousand UAH of OI3 OJSC were spent on this, and 20 doors were replaced with 6.0 thousand UAH of voluntary contributions. The roof of Infant School #5 was partially repaired with 15.0 thousand UAH from local budget funds.	Qualitative
48	3 <sup>rd</sup>	Mykolaiv	Starting with 09.01.07, the Administration Department started its work. It prepared 1,550 permit packages, issued 1,300 permit documents, and provided more than 2,000 consultations. The work of administrators simplified the permit procedures, shortened the time of permit procedures, reduced the cost and the number of necessary documents. The State registration is performed with the help of modern software allowing one permit procedure to take only 30-40 minutes, which is a considerable reduction of time businessmen spend waiting for the results of the State registration.	Qualitative
49	3 <sup>rd</sup>	Mykolaiv	The Water Supply and Sewage Development investment project envisions the reconstruction and modernization of treatment facilities and sewage systems, capital repairs of some sections of water supply networks, installation of the distance control for the pumping stations and their reconstruction and re-equipment. 27.29 Euros are needed for project implementation. 3.12 million Euros have been raised thru through the grant, 7.85 million Euros are given by the MykolaivVodoKanal utility company, 15.5 million Euros are given through a European Investment Bank loan, and 0.78 million Euros are given through the EU grant paying for project implementation and expert technical assistance. The funds raised by the MykolaivVodoKanal utility company will be used to repay the loan, while Ukraine will serve as the loan guarantor.	Qualitative
50	3 <sup>rd</sup>	Mykolaiv	In compliance with the Law of Ukraine "On Housing and Utility Services", and City Executive Committee Ordinance #771, the Department for Housing and Utilities conducted competitions to render housing maintenance services. Based on the competition results, contracts to render housing maintenance services were concluded with the following companies: Arianda, Prohres-Tsentri ZHeK, Tsentralnyi-1, Ltd., Solyani ZHeK, Stefi, Ltd., Prospekt Housing and Utility Company, Prybuzhzhya Housing and Utility Company; Pivden Housing and Utility Company, Mriya Housing and Utility Company (Leninskyi Rayon); MykolaivDomServis, Ltd., Namyv-1, Nordstar-Yug, Lisky-M, Korund-X, Shalgis, and Briz Housing and Utility Company (Zavodskyi Rayon).	Qualitative
51	3 <sup>rd</sup>	Mykolaiv	A project to install co-generation heat and electricity units at city boiler houses was prepared. - City Hospital #4 – feasibility study to install a co-generation module. Through opening of credit lines for the TeploEnerhoServis Company at the PryvatBank Closed Joint-Stock Company. The value of assets together with construction and assembly works is 4,735.2 thousand UAH. - City Hospital #3 - feasibility study to install a co-generation module. A 6-7% loan from a foreign bank is planned to cover 80% of the cost; 20% will be financed from Ukrainian sources. The value of assets together with construction and assembly works is 8,040.0 thousand UAH.	Qualitative
52	3 <sup>rd</sup>	Mykolaiv	An automated land plot database of the city of Mykolaiv is being created.	Qualitative
53	3 <sup>rd</sup>	Lutsk	The DAKHY Program for capital repairs of roofs was approved by Ordinance #14/12 of 06.06.07. The Program envisions various sources of funds for capital repairs of roofs on 184 buildings with 18,572 thousand UAH. At the same time the estimated need for such works in 2007 is 4,650 thousand UAH. As of 9.30.07, Capital repairs of roofs were performed on 16 buildings with 1,180 thousand UAH. Capital repairs of roofs on additional 9 buildings are at the implementation stage and the expected value of the work is 1,110 thousand UAH.	Qualitative
54	3 <sup>rd</sup>	Lutsk	As of 08.30.07, the City Council allocated 12,852 thousand UAH to repair roads in the city of Lutsk.	Qualitative
55	2 <sup>nd</sup>	Ternopil	The City Council Department for Economic Development was one of the organizers of the II International Investment Forum, which was held on September 13-14, 2007, in the city of Ternopil. 4 investment projects were prepared and presented: construction of two underground shopping centers, construction of a logistics center and reconstruction of city parks to facilitate tourism development and leisure.	Qualitative
56	2 <sup>nd</sup>	Kovel	The Housing Construction Development Program was prepared and coordinated with the General City Lay-Out Plan.	Qualitative
57	2 <sup>nd</sup>	Kovel	Starting with 07.01.07, the Permit Center, which started issuing permit documents with a unified organizational approach started its operation in the city of Kovel. The procedures of issuing permit documents are being improved in compliance with the current legislation.	Qualitative
58	2 <sup>nd</sup>	Kovel	The City Department of Land Resources started to prepare an electronic cadastre.	Qualitative
59	1 <sup>st</sup>	Ivano-Frankivsk	Presently, inventory of 95% of the Khrypyn Investment and Industrial Zone (KIIZ) has been completed. The KIIZ territory map was made and a geodetic survey of the zone was performed.	Qualitative

#	Wave	City	Activity	Type
60	1 <sup>st</sup>	Ivano-Frankivsk	During the first 9 months of 2007, the Permit Center received 3,466 incoming packages and issued 2,839 packages, including 367 refusals. 5,199 consultations were provided.	Qualitative
61	1 <sup>st</sup>	Ivano-Frankivsk	“Ivano-Frankivsk 1662-2007. Through the Centuries”, a tourist information publication has been. A CD on Ivano-Frankivsk with a video on tourism opportunities of the city was made. A city map was placed in the center of downtown to better orient tourists.	Qualitative
62	1 <sup>st</sup>	Ivano-Frankivsk	New software to help assess the current and projected 2012 qualified work force needs was installed in the city employment agency.	Qualitative
63	1 <sup>st</sup>	Ivano-Frankivsk	A job vacancy fair was held in the Trade Vocational School, which participation of 170 graduates and 12 employers who offered them jobs. Also, a job fair was held with participation of 25 educational institutions and 2,000 senior pupils. High school students were provided with consultations and more than 180 persons were tested with computer-based methods.	Qualitative
64	1 <sup>st</sup>	Ivano-Frankivsk	To inform the public on solid waste removal and recycling issues, a number of information materials were prepared, such as: information bulletins, booklets, advertisement flyers, paint pictures, and comics. Information dissemination was carried out in a number of ways: talking to residents, public discussions, meetings with company workers, and public campaigns such as: “Press the Package”, “Plastics for Your Roof”, “Disposer in Every House”, and “Clean Community” as well as “Clean Yard” and “Clean City through the Eyes of Children” competitions. Project implementation was covered by media including press. The campaign enabled dissemination of information about the necessity of sorted solid waste collection to more than 100 thousand city and oblast residents.	Qualitative
65	1 <sup>st</sup>	Ivano-Frankivsk	The city purchased two trucks to carry sorted solid waste. The value of the trucks constitutes 205 thousand UAH. The city also prepared the “Introduction of Sorted Collection and Processing of Solid Waste and Preparing a Site for Sorting Station” project. The Project is designed as a continuation of the Project funded by the EU. This Project has already been approved by the Oblast Council session on 08.22.07 and 350 thousand UAH were allocated in the form of a subvention from the Environmental Protection Fund to the city budget. In addition to improving the system of solid waste collection, Project implementation will allow to purchase equipment to recycle sorted plastics, glass, etc.	Qualitative
66	1 <sup>st</sup>	Ivano-Frankivsk	During the first 9 months of 2007, 1,493 existing lamps in 80 streets were replaced with energy saving lamps. 1,841.6 thousand UAH was spent on this effort.	Qualitative
67	1 <sup>st</sup>	Ivano-Frankivsk	As of September 30, 2007, 1.8 million UAH was spent on installation of the co-generation unit with the 1.4 MWatt capacity at 34 Industrialna St. These funds were spent to make the advance payment to buy the co-generation unit itself. The hall, basement and transformer for the co-generation unit were prepared and a number of other preparatory works were performed.	Qualitative
68	1 <sup>st</sup>	Ivano-Frankivsk	The right to collect solid waste from various parts of the city was given to contractors on a competitive basis. Presently, 5 companies perform solid waste collection.	Qualitative

#### IR 4.1.2 — Increased transparency of local government operations.

#	Wave	Type	Activity	Type
1	3 <sup>rd</sup>	Vinnytsia	The list of available land plots subject to be granted on a competitive basis was approved by the decision of the City Council. Open tenders to buy services for normative-monetary land valuation were carried out; the contract with the winner is at the stage of signing.	Qualitative
2	3 <sup>rd</sup>	Vinnytsia	The database of local regulatory acts has been created within the framework of the project “Establishing an electronic management system”. The interface and the system of simplified search are being developed.	Qualitative
3	2 <sup>nd</sup>	Kamyanets-Podilsky	Regular cooperation with the developers of investment projects (OJSC 'Agropromtehnica', 'Podillyatransbud', 'Budmontazhservice' etc.) are underway; Meetings of the city investment board are held every month.	Qualitative
4	2 <sup>nd</sup>	Brovary	The city held its 4th and 5th competitions to select holders of land plots of various categories. The number of lots presented for the competition constituted 13. The total area of land plots offered for lease was 11.681 hectares.	Qualitative
5	3 <sup>rd</sup>	Mykolaiv	Information needed by businesses is constantly published on the City Council website (local regulations on business activities).	Qualitative
6	3 <sup>rd</sup>	Mykolaiv	In compliance with the Law of Ukraine “On Foundations of Regulatory Policies in the Area of Business Activities” and its subsection dealing with transparent preparation of regulatory documents, steps are being taken to enable businessmen and public organizations to have access to draft documents and to discuss them. For instance, while preparing the City Council Ordinance "On Procedures for Giving Permits to Business Entities to Place Shopping and Service Facilities", two meetings were held to involve city entrepreneurs, non-governmental business associations, Mykolaiv City Council members, and representatives of law enforcement agencies in the discussion of the draft document. Comments and suggestions were included in the abovementioned draft. The draft was placed on the Mykolaiv City Council web site within the terms specified by the abovementioned Law. Information about how to get the document was published in the media. The city in cooperation	Qualitative



#	Wave	Type	Activity	Type
			with the State Committee on Regulatory Policy and Entrepreneurship conducted public hearings on amendments to the Law of Ukraine “On the Tax Code of Ukraine”. Comments and suggestions to the abovementioned draft law obtained during the discussion from businesses and business associations were included into the minutes of the meeting and sent to the State Committee on Regulatory Policy and Entrepreneurship.	
7	3 <sup>rd</sup>	Mykolaiv	The Internet portal of the city of Mykolaiv was opened. It provides the information about city industrial enterprises, investment projects, unfinished manufacturing facilities and premises, financial and crediting institutions, foreign trade and investment activities of the Mykolaiv City Council executive Committee and other information about the city.	Qualitative
8	3 <sup>rd</sup>	Lutsk	The corresponding pieces of legislation related to permits and licenses were analyzed. The Lutsk City Council passed the corresponding resolution, whose provisions are applied in practice.	Qualitative
9	3 <sup>rd</sup>	Lutsk	Main web-site pages were translated into English.	Qualitative
10	3 <sup>rd</sup>	Lutsk	Information booklets about the city of Lutsk were re-published in Polish "Luck starozytny".	Qualitative
11	2 <sup>nd</sup>	Drohobych	The Department for Land Management prepared a list of land plots suitable for business activities.	Qualitative
12	2 <sup>nd</sup>	Drohobych	The Department of Economy and Business Development prepares on a regular basis (accessible) information about business entities that operate on the territory of the city of Drohobych including: - industrial enterprises - construction companies - trade (including markets, drug-stores), catering and domestic services companies - banks and insurance companies.	Qualitative
13	3 <sup>rd</sup>	Chernivtsi	During the reporting period, information about the role of investments in the local economy and the steps taken by the City Council to accomplish the planned tasks was published on the City Council website and in local media. In the 3 <sup>rd</sup> quarter such publications were issued on a weekly basis.	Qualitative
14	3 <sup>rd</sup>	Chernivtsi	The City Mayor ordered an inventory of land plots to reserve them for potential investors.	Qualitative
15	3 <sup>rd</sup>	Chernivtsi	All members of the community have free access to the City Council ordinances that regulate economic activities in the city. They are placed on the Official City Council website. The information on activities of executive departments of the City Council is updated on a regular basis. In July 2007, The City Department of Economy published a set of ordinances, which regulate business activities in the city of Chernivtsi. The electronic version of the documents was placed on the City Council Internet web site.	Qualitative
16	3 <sup>rd</sup>	Chernivtsi	The City Department for Public Procurement while organizing tenders for public procurements of goods, works and services, renders assistance to small businesses on preparation of tender documents and tender procedures. To expand the competitive environment the announcements about all procurements for state and local funds are placed on the City Council Internet web site.	Qualitative
17	4 <sup>th</sup> non-target	Yasynuvata	The article “American Dream in Yasynuvata” was published on the site of Gromatsky Donbas NGO on July 6, 2007 <a href="http://ngo.donetsk.ua/donsociety/490">http://ngo.donetsk.ua/donsociety/490</a>	Qualitative
18	4 <sup>th</sup>	Lozova	The article “Strategy and Tactic of City Development” was published by the city newspaper Golos Lazovshyny on July 6, 2007.	Qualitative
19	4 <sup>th</sup>	Lozova	The article “We Go Nowhere Without a Plan – Not Here not There” was published by the city newspaper TeleMost on July 6, 2007.	Qualitative
20	4 <sup>th</sup>	Lozova	The article “American Know-How” was published by a local enterprise newspaper Mashinostroitel on July 7, 2007.	Qualitative
21	3 <sup>rd</sup>	Chernivtsi	The article “Chernivtsi Airport was Presented in Kyiv” was published by the information agency Zakhidna Informatsiyna Korporatsia on July 9, 2007 <a href="http://zik.com.ua/index.php?news_id=91323">http://zik.com.ua/index.php?news_id=91323</a>	Qualitative
22	2 <sup>nd</sup> non-target	Yevpatoria	The article “Strategic Plan of Economic and Social Development of the City of Yevpatoria to 2015” was published on the site of the Yevpatoria Investment Department on August 1, 2007 <a href="http://invest.evpatoria-rada.gov.ua/index.php?option=com_content&amp;task=view&amp;id=122&amp;Itemid=12">http://invest.evpatoria-rada.gov.ua/index.php?option=com_content&amp;task=view&amp;id=122&amp;Itemid=12</a>	Qualitative
23	4 <sup>th</sup>	Sumy	The article “Strategic Plan of Economic Development of the City of Sumy” was published on the site of the Sumy City Council on August 1, 2007 <a href="http://www.meria.sumy.ua/ua/documents/econom_state/econom_state_2005/usaid_plan">http://www.meria.sumy.ua/ua/documents/econom_state/econom_state_2005/usaid_plan</a>	Qualitative
24	4 <sup>th</sup>	Konotop	The article “Roundtable on Issues of Investment Attraction” was published on the site of the Konotop City Council on August 1, 2007 <a href="http://www.konotop-rada.gov.ua/podii/news.html">http://www.konotop-rada.gov.ua/podii/news.html</a>	Qualitative
25	4 <sup>th</sup>	Poltava	The article “Strategy for Economic Development is Being Created in Poltava” was published by the oblast communal information agency Novyny Poltavshyny on August 2, 2007	Qualitative
26	2 <sup>nd</sup>	Ivano-Frankivsk	The article “Local Authorities will Develop Labor Force” was published by the Precarpathian information agency “PR” on August 5, 2007	Qualitative

#	Wave	Type	Activity	Type
			<a href="http://piar.org.ua/article/?art13326">http://piar.org.ua/article/?art13326</a>	
27	4 <sup>th</sup> non- target	Mohyliv- Podilsky	The article “The fourth meeting of the Committee for Strategic Planning for Economic Development of the City took Place on August 7, 2007” was published on the City Council website on August 7, 2007 <a href="http://misto.mogpod.com/scripts/allnews.php?newsid=37">http://misto.mogpod.com/scripts/allnews.php?newsid=37</a>	Qualitative
28	3 <sup>rd</sup>	Chernivtsi	The article “Tourism, Investments and Business – City Economic Development” was published on the City Council website on August 7, 2007 <a href="http://www.city.cv.ua/cgi-bin/citynews.cgi?07.07.2007.11.37.52">http://www.city.cv.ua/cgi-bin/citynews.cgi?07.07.2007.11.37.52</a>	Qualitative
29	4 <sup>th</sup>	Sumy	The article “Sumy in Profile” was published by the city newspaper Panorama: Golos Tvooho Mista on August 8, 2007	Qualitative
30	4 <sup>th</sup>	Konotop	The article “Economic Development for the Future” was published by the local political newspaper Konotopsky Krai on August 8, 2007	Qualitative
31	4 <sup>th</sup>	Konotop	The article “Completion of the session of the Economic Committee for City Strategic Development” was published on the City Council website on August 14, 2007 <a href="http://www.konotop-rada.gov.ua/podii/news.htm">http://www.konotop-rada.gov.ua/podii/news.htm</a>	Qualitative
32	4 <sup>th</sup>	Sumy	The article “The Draft Strategic Plan for Economic Development Presented in Sumy” was published on the City Council website on August 16, 2007 <a href="http://www.meria.sumy.ua/ua/archive/news_events/2007/08/16/usaidd">http://www.meria.sumy.ua/ua/archive/news_events/2007/08/16/usaidd</a>	Qualitative
33	4 <sup>th</sup>	Sumy	The article “The Plan of Economic Development of Sumy Completed” was published in the newspaper Vash Shans on August 22, 2007 <a href="http://www.shans.com.ua/index.php?m=nr&amp;id=10595&amp;in=102">http://www.shans.com.ua/index.php?m=nr&amp;id=10595&amp;in=102</a>	Qualitative
34	4 <sup>th</sup>	Pryluky	The article “Center of Small Business Support Opens in Pryluky with Support from British American Tobacco” was published the newspaper Sian on September 4, 2008 <a href="http://sian-ua.info/index.php?module=pages&amp;act=print_page&amp;pid=10747&amp;PHPSESSID=fc4ac45e00aef5221e0c205fa54c1d2f">http://sian-ua.info/index.php?module=pages&amp;act=print_page&amp;pid=10747&amp;PHPSESSID=fc4ac45e00aef5221e0c205fa54c1d2f</a>	Qualitative
35	4 <sup>th</sup> non- target	Lysychansk	The article “The Power of Planning” was published by the city newspaper Chas Pik on September 5, 2007.	Qualitative
36	3 <sup>rd</sup>	Rivne	The article “In Rivne, the Local Authorities and the Elite will Begin Adding Color to the Life of Small and Medium Business” was published by the information agency Zakhidna Informatsyina Korporatsia on September 6, 2007 <a href="http://zik.com.ua/index.php?news_id=99601">http://zik.com.ua/index.php?news_id=99601</a>	Qualitative
37	5 <sup>th</sup>	Romny	The article “An Expert Committee Will Work in Romny” was published by the Romny information/entertainment portal on September 6, 2007 <a href="http://www.romb.com.ua/rnews/news.php?m=1&amp;p=0&amp;nom=146">http://www.romb.com.ua/rnews/news.php?m=1&amp;p=0&amp;nom=146</a>	Qualitative
38	4 <sup>th</sup>	Konotop	The article “Third Investment Forum – Investments, Partnership, Development” was published on the site of the City Council on September 10, 2007 <a href="http://www.konotop-rada.gov.ua/podii/news.html">http://www.konotop-rada.gov.ua/podii/news.html</a>	Qualitative
39	2 <sup>nd</sup>	Ternopil	The article “100,000 UAH from the City Budget Set Aside for Small Business Support” was published by the information agency Zakhidna Informatsyina Korporatsia on September 12, 2007 <a href="http://zik.com.ua/index.php?news_id=100472">http://zik.com.ua/index.php?news_id=100472</a>	Qualitative
40	2 <sup>nd</sup>	Ternopil	The article “Second International Investment Forum Held in Ternopil” was published by the information agency Zakhidna Informatsyina Korporatsia on September 14, 2007 <a href="http://zik.com.ua/index.php?news_id=100848">http://zik.com.ua/index.php?news_id=100848</a>	Qualitative
41	4 <sup>th</sup>	Sumy	The article “Regarding the Submission of the Strategic Plan for Economic Development of the City of Sumy for Consideration to the City Council” was published on the City Council website on September 29, 2007.	Qualitative
42	4 <sup>th</sup> non- target	Lysychansk	The article “At the City Council: Meetings of the Expert Committee for Strategic Planning Completed” was published by the local newspaper Aktsent in August 2007	Qualitative

#### IR 4.1.3 — Increased financial independence of local governments.

#	Wave	City	Activity	Type
1	1 <sup>st</sup>	Ivano-Frankivsk	Presently, the Local Economic Development Project Innovation Fund is considering the Ivano-Frankivsk City Council application for financial support to the system for on-going marketing of city investment opportunities.	Qualitative

## **ANNEX C**

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### **ARTICLES WRITTEN FOR THE LED WEBSITE**

## Roundtable Emphasizes Relationship between Efficient Use of Airports and Investment Activity in Regions

[ jul 05 , 2007 ]



*View of one of industrial sites in Ivano-Frankivsk from aboard a plane.*

*As all of the round table participants agreed, efficient use of regional airports facilitates investment activities in regions*

On July 4, 2007, in Kyiv the USAID LED project organized a roundtable on Development Opportunities and Ways for Regional Airports in Ukraine. Participants in the event – representatives from regional authorities and heads of airports in Chernivtsi, Ivano-Frankivsk, Poltava, Rivne, and Sumy, as well as a speaker from the Czech Republic – considered how to turn these predominantly loss-making enterprises into a regional development resource and a source of revenues to local budgets.

Ret. Lt. Gen. Ladislav Klíma, former Commander of the Czech Air Force, shared a positive experience in developing the regional airport in Pardubice, Czech Republic. According to Mr. Klíma, East Bohemian Airport a.s., in which the city of Pardubice has a 100 percent interest, over the last five years has managed to increase the annual number of passengers nearly 40 times: from 1,814 in 2001 up to 71,655 in 2006.

Chernivtsi International Airport Director Oleksandr Tsybrov, Rivne International Airport Director Viktor Yakobchuk, and Vinnytsia Oblast State Administration Economy Department Head Andriy Hryshko in their presentations demonstrated that

certain recovery of their airports' activities was observed only in 2004, probably because of the presidential elections. The situation is also aggravated by the unfavorable legislation and lack of interest in regional airport development on the part of the state.

However, local governments have been lately showing increased attention to local airports, reasonably seeing in them a possibility to enhance the investment appeal of their regions. Presenting an investment project on Transport and Logistic Terminal Development, Mr. Yakobchuk said he believes that the Rivne airport development strategy lies in a combination of a cargo customs terminal, aircraft maintenance hangars, a logistic center, and a passenger terminal. He also suggested that the latter could be used as a new bus station as well, which the city badly needs. All of these components require a serious investor, and the city is ready for the advent of such an investor, he said. As their competitive advantages, representatives from Rivne cite very convenient location of the airport and perfect condition of its runway.

Unlike Rivne, Chernivtsi has found internal reserves and intends to finance reconstruction of its runway from the city budget, according to Mr. Tsybrov.

Winding up the discussion, LED Project Chief of Party Howard Ockman said this round table can be viewed as the first step in collaboration of the project with local governments aimed at helping regions to use their existing airports more efficiently, thus contributing to an increase in general investment activity in the region. All roundtable participants agreed that the two things are interrelated.

The idea of such a roundtable sprang up in the process of economic development strategic planning carried out in oblast capitals with assistance from the LED project. As experts from the project noticed, the regional airport efficiency problem was common to all of these cities. That is why the project decided to organize exchange of experiences and consultations between Czech and Ukrainian professionals.

## WORKING PROACTIVELY

[ aug 01 , 2007 ]

### A spearhead in Drohobych is drafting projects to get prepared for any financing opportunity



*On this photo from LED files, Volodymyr Kondzyolka is speaking at an SPC meeting in the Drohobych city hall in December 2005. On the left is Svyatoslav Yonyk, Drohobych City Rada Economy and Entrepreneurship Office Chief Specialist for Investments and Foreign Economic Relations*



*A map of the Pan-European Transport Corridors ([click to enlarge](#)).*

*Source: [Wikipedia](#)*

As calls for project proposals tend to reach the Ukrainian provinces just before application deadline, a group of activists in [Drohobych](#), Lviv Oblast, decided to draft priority projects in advance, to be ready to jump at any opportunity for financing that can open up.

According to Volodymyr Kondzyolka, chairman of the Yuriy Drohobych Society and director of the Computer Group limited company, the spearhead in fact consists of members of the Strategic Planning Committee (SPC) that was hammering out the [Economic Development Strategic Plan](#) for the city from October 2005 to February 2006 with assistance from the USAID LED project.

“If we submit a project worth, let’s say, a million euro, it needs to be elaborate,” Mr. Kondzyolka explains. “But information, as usual, reaches us two to three weeks before application deadline, at the earliest. And this makes professional-level project preparation very difficult.”

The last straw that triggered the group’s decision to work proactively was what Mr. Kondzyolka fears to be failure to meet the deadline for submission of an infrastructural project proposal. “The city sent it to Poland on May 16. I’m afraid that with our [slow] mail it did not reach Warsaw before May 18, set as the deadline for submission, because there has been no acknowledgement of receipt,” he told the LED Monitor in late June.

The project proposal in question was developed under the [Neighborhood Program Poland-Belarus-Ukraine INTERREG IIIA/Tacis CBC](#). Under the program, the Yuriy Drohobych Society is an official partner of the [Regional Economic Chamber in Przemyśl](#), Poland.

The spearhead is considering the development of several projects. Among these Mr. Kondzyolka cited [Bruno Schulz](#) Museum – an idea that had been voiced at an SPC meeting but had not been expressly embedded in the Strategic Plan’s final text – as well as Przemyśl-Drohobych Logistic Axis, and Financial/Investment Supermarket. He elaborated

upon the latter two:

*Przemyśl-Drohobych Logistic Axis*

According to Mr. Kondzyolka, in Przemyśl, on the very border with Ukraine, they are developing a very large logistic center. So why not make a logistic center also on the other side of the border, in Drohobych, and organize shuttle cargo service with several trailers?

"Drohobych sits at the intersection of two [Pan-European transport corridors](#): the third and the fifth," Mr. Kondzyolka substantiates the idea. "The two corridors merge in Lviv [90 km from Drohobych], so the cargo traffic between Europe and Ukraine, and between Poland and Romania, Hungary goes through Drohobych."

The scheme outlined by Mr. Kondzyolka looks as follows. Imagine a Ukrainian enterprise, for example, in Kyiv or in Kharkiv that has to ship a container of their products to Europe. Now they have to hire a vehicle meeting the [European Emission Standards](#), which will carry the goods all the way to Europe, also standing one or two days in line to the customs.

"What we intend to offer is you bring your cargo to Drohobych by any transport. Here we'll have three or four trailer trucks that will take your shipment to Przemyśl, and from there it will be forwarded to destination in Europe," Mr. Kondzyolka explained. "Customs officers and border guards will know well both the trucks and the drivers, and the latter will know well all relevant procedures, so the process will take less time. And if we manage to get these trucks jump the queue, they will be able to do several 100-kilometer trips between Drohobych and Przemyśl a day."

The Drohobych logistic center – if this project ever comes to implementation – is expected to provide a number of other services including clearance, customs warehouse, and certification.

Says Mr. Kondzyolka: "The nearest certification authority, where you can check up your cargo for compliance with Ukrainian standards, is in Lviv. It's not too convenient. Using the project budget we could establish a laboratory within the logistic center and transfer it to the state."

#### *Financial/Investment Supermarket*

A Financial/Investment Supermarket can be established within the framework of the logistic axis. The idea is to bring representatives from customs, banks, consulting and investment companies, and other business service providers under one roof. "It's like a customer in a supermarket: a businessman or an investor or a foreign company that wants to operate in Drohobych can find in this building the full range of services," said Mr. Kondzyolka.

#### *Cross-Border Cooperation*

The two would-be projects are now in the phase of discussion. "We are gathering all the necessary information, communicating with the certification authority, and making rough cost estimates," Mr. Kondzyolka said. The projects were also presented at a round table for local entrepreneurs and officials from Drohobych and Przemyśl in April.

In the meantime, the Yuriy Drohobych Society collaborates with the Regional Economic Chamber in Przemyśl in developing and implementing a Cross-Border Center for Economic Initiatives in Przemyśl.

Part of this collaboration is the development of Ukrainian and Polish web sites with information on enterprises in the two cities. "This information will be not just on what an enterprise makes but also on whom it wants to see as its partners, suppliers, etc.," Mr. Kondzyolka pointed out. "We and our Polish counterparts have agreed on the questionnaire form. The information from the Ukrainian site will be translated into Polish and posted on the Polish site."

The enterprise database on the Ukrainian site already contains information on about 40 entities. In the future, the site will be trilingual: Ukrainian, Polish, and English.

Another part of the collaboration is meetings of business people and visits to enterprises. "In business, personal contacts are very important – when you know somebody personally: what he



thinks, how he lives, how reliable he is, etc.," Mr. Kondzyolka related. The last such meeting in June in Przemyśl even included a soccer game between teams of businessmen from the two cities.

These activities have already begun yielding results, and Mr. Kondzyolka cited several examples:

The Ukrainian construction company Prykarpattbud and Domus from Poland are negotiating supply of road repair equipment.

The Halychyna Oil Refinery is placing a pilot order with POLNA for a lot of valves.

The Drohobych Truck Crane Plant through the Regional Economic Chamber in Przemyśl is preparing market research to enter the Polish market.

The Computer Group is receiving the first lot of solar water heaters through the Polish dealer of Australia-based Solahart.

"Ukraine and Poland have rather special relationships. These bear the impress of Ukrainian-Polish prewar and postwar relations. Therefore, there is the issue of giving rise to certain trust between partners. And those meetings of ours show that this trust is beginning to appear. The Poles see that the Ukrainians are people with whom you can collaborate. And I think that a major result is the strengthened trust, which facilitates business contacts," Mr. Kondzyolka concluded.

The Yuriy Drohobych Society was established in 2001 by a group of Drohobych entrepreneurs in order to promote development of the city and its region. Today the society has 21 members mainly representing small to medium businesses.

The [Drohobych Economic Development Strategic Plan](#), worked out with assistance from the LED project, focuses on tourism development, investment attraction, and small and medium business development.

## New Office Center Construction in Ivano-Frankivsk to Begin in September

[ aug 13 , 2007 ]



*Appearance of the business center  
according to the design.*

*Source:*

<http://karpatyland.if.ua/estate.php?submenu=47&article=156>

[Skol](#), a private enterprise based in [Ivano-Frankivsk](#), expects to begin construction of what they call Dominion Business Center as soon as next month, the company told the LED Monitor on Friday.

Company director Volodymyr Kolkovsky said the project is now at the stage of appraisal, with conclusions on the land plot already made. He said he expects a construction permit to be issued in September. "So little by little we are beginning preparatory works for the construction," Mr. Kolkovsky observed.

He reported that project completion is planned before the year 2009.

Dominion will be erected in Chornovola Street, in downtown Ivano-Frankivsk. In addition to office rooms, the eight-storied building of about 2,900 square meters of floor area will also have a snack bar and a conference room. The Skol director agreed that it may be classified as an office center rather than a business center.

The estimated project cost is UAH 13.6 million. The project site is a land plot of about 450 square meters that Skol holds by lease at UAH 1,100 per month, according to Mr. Kolkovsky. He said the construction will be financed through loans and investments.

Skol was founded in 1995 as a small building contractor. Today the enterprise calls itself a "high-tech investment and construction company," which employs 113 workers. The company boasts of reconstruction of the bell tower at Metropolitan Andriy Sheptytsky Square, which is one of Ivano-Frankivsk's landmarks.

Since 2005, Skol has built structures at a total of about 20,000 square meters, including projects under construction.

In 2005, Ivano-Frankivsk was among the first six cities where the USAID LED project helped the communities work out their Economic Development Strategic Plans. Business Development is the first so-called critical issue under the [Strategic Plan in Ivano-Frankivsk](#), followed by Human Resource Development and Communal Infrastructure



## THE CUP OF GOOD HOPE

[ aug 17 , 2007 ]

### Lviv Investment Forum organizers hope UEFA EURO 2012 attracts investors and Ukrainian Gastarbeiters



*Ihor Zavilinsky, Conference House Managing Director: "The entire philosophy of the preparations aims at attracting key players in all areas, whether it is hotel business, transport infrastructure, airport or stadium, etc."*

Preparations for the 7th Lviv International Investment Forum "EURO 2012: Go Ukraine!" scheduled for Oct. 4-6, 2007, are in full swing and about to enter the phase of promotional campaign, according to the [Conference House](#), one of the event's organizers.

"There is a concept, the event's format has already been drafted and approved, and now we work actively on transforming the concept into a program," Conference House Managing Director Ihor Zavilinsky told the LED Monitor.

Goals of the forum are to "draw attention of Ukrainian and foreign investors to significant projects that are part of Lviv's and the Lviv Oblast's preparations for EURO 2012, discuss interaction between businesses and authorities during the tournament preparation period, and learn experience of countries that have hosted large-scale sports events," according to the [company's web site](#).

The site also cites tasks set up by the organizers: consolidate the regional business community, demonstrate advantages of investing in Lviv on the eve of the tournament, and present investment projects.

The forum will comprise seven conferences and round tables featuring investment, social infrastructure, tourism, construction of the airport and stadium, regional innovation capacity, and hotels.

Beside the Conference House, the event organizers also include the [Lviv City Rada](#) and the [Lviv Oblast State Administration](#). "The members of this triumvirate are equal partners, though sure each of them has its own functions," says the company's CEO. "Such an alliance allows us to make, on the one hand, a really professional-level event, and on the other hand, an event ensuring balanced presentation of views of both government and businesses – both local businesses and those of investors who want to take part in such a large-scale project as EURO 2012."

Although one might think that the functions of the company, which specializes in organization of conferences, are purely technical, Mr. Zavilinsky said it is not the case: "Our responsibilities also include bringing international speakers who are authorities in relevant industries."

It is expected that the forum's guests, speakers and participants will include top national, regional and local officials, representatives from Ukraine's other big cities and renowned foreign and Ukrainian consulting and investment companies, managers of financial and banking institutions, guests from Poland, representatives from municipalities that have already had an experience in organization of UEFA EURO tournaments, diplomatic and trade missions, and regional businesses and industries.

"We have distributed would-be invitees among our company, the city hall, and the oblast state administration," explains Mr. Zavilinsky. "Assume Lviv has good relationships with other cities, for example, Wrocław, Leipzig or Salzburg. So it's their task to invite top officials from these cities."

He said some 60 percent of speakers have been defined, and there is a certain agreement with most of them. These include so-called anchor investors, but Mr. Zvilinsky declined giving their names: "Some of these companies are now in negotiations for participation in projects under EURO 2012."

However the CEO stressed that presence of such companies is very important. "We understand this clearly, but it's much better that Lviv and the oblast do so. The entire philosophy of the preparations aims at attracting key players in all areas, whether it is hotel business, transport infrastructure, airport or stadium, etc. Therefore there is a hope that we'll be able to see in October many representatives from big investors, both those already operating in Ukraine and those not present here yet," he pointed out.

Ten cities in Ukraine and Poland will be the venue of the UEFA EURO 2012 final tournament. These include Chorzów, Dnipropetrovsk, Donetsk, Gdańsk, Kraków, Kyiv, Lviv, Poznań, Warszawa, and Wrocław. Each of the cities, as well as both countries in general, hope that preparations for the competition will attract investors to specific projects and give an impetus to development of national economies on the whole.

These hopes are not without foundation. Last week, Ukrainian information agencies quoted Bavarian Prime Minister Edmund Stoiber as saying that EURO 2012 is going to bring "incredible success" to Ukraine. He compared this with the successes of Bavaria achieved after the Olympic Games in Munich in 1972 and the soccer FIFA World Cup final tournament hosted by Germany in 2006.

In Ukraine, its western regions in particular, there is a specific hope that has a human dimension. According to Mr. Zvilinsky, Lviv's leaders hope that construction under EURO-related large-scale projects will help return part of Ukrainian labor force "that presently work for the welfare of other countries."

Speaking of next steps in the forum preparations, Mr. Zvilinsky said the key is promotional campaign, including media coverage and targeted mailing of booklets; next goes finalization of the forum program; and third, reaching an agreement with an international soccer star who would attend the event as a guest. "I don't mean Andriy Shevchenko whom all of us love. I mean a person who has succeeded in both soccer and administration. Until signatures are affixed to a contract, I cannot call his name," the CEO said.

Generally, Mr. Zvilinsky is optimistic about the event. "Earlier this week we did mailing of our proposals to embassies and trade missions from majority of European countries, and the response was very positive, very active. I believe practically all of them will ensure personal participation in the forum," he said.

By no means is the forum Lviv's only current effort in city preparation for the tournament. Like other Ukrainian EURO 2012 host cities, the Lviv city hall drafted an action plan, and sent it to the Economy Ministry and the Family, Youth and Sports Ministry in early August, according to Oleh Zasadny, Lviv EURO 2012 Department Director. He said that after approval by the Cabinet of Ministers, which is expected before September 15, the action plan will become part of a national program.

The public officer cited main projects that need to be implemented in preparation for the tournament. These include construction of a new stadium, reconstruction of the Lviv Airport, construction of new and reconstruction of existing hotels and roads. The Lviv City Rada has allotted land and is negotiating with investors.

He also said competitions for airport design and right to lease several land plots for hotel construction will most probably be part of the forum agenda. "The competitions will be announced beforehand in accordance with law."

A number of other events will accompany the forum. The Seventh International Fair of Investments and Real Estate will be held from Oct. 3-5, 2007. President of [Gal-EXPO](#), the fair's organizer, Renata Ivanytska said, "We [Gal-EXPO and the Conference House] have agreed that the fair will go within the general format of the forum. That is, the forum is the main feature, but beside the forum there'll also be the fair, a meeting of the Polish-Ukrainian Economic Chamber, a Polish-Ukrainian-Financial Conference, a land action, etc."

"I think the motto 'Go Ukraine' will be applicable to all of these events. I think the next four years the Lviv Oblast will try to solve its problems just in view of EURO 2012," she concluded.

The Conference House is a limited company established in November 2004 by two founders, one of whom is Ihor Zvilinsky. The company has about 20 employees on the staff and conducts about 20 conferences a year. It sees its mission as "creation of occasions for communication and conditions for exchange of practical experience among professionals."

## Pepsi – Sandora: Win-Win Acquisition for Many

[ aug 23 , 2007 ]

Joint acquisition by [PepsiAmericas](#) and [PepsiCo](#) of [Mykolaiv](#)-based juice maker [Sandora](#) holds out benefits to both parties and is expected to contribute to local economic development, according to the Ukrainian company.

Sandora PR Officer Valeria Trifonova told the LED Monitor on Wednesday that the deal will give an impetus to the company's further development. She explained that [last year Sandora launched its second plant in the Mykolaiv Oblast](#) that still has room for twenty more production lines. "This requires big investment. PepsiCo is willing to invest into development. It is willing to extend our brand portfolio, introduce its brands here using Sandora's capacity," she said. "This implies expansion of production, new jobs, and additional tax revenues."

She said it is too early to give any estimates of future investments and new jobs, just pointed out that a long-term plan of Sandora is to enter new markets, including those where PepsiCo sells its products.

Ms. Trifonova also said that PepsiCo has an intention to invest into development of farming in Ukraine, in particular growing of tomatoes. The farmers, however, will have to meet PepsiCo quality standards, "which are very high, even higher than European standards," according to the PR officer.

In a press release on Monday PepsiAmericas and PepsiCo announced completion of joint purchase of 80 percent interest in Sandora, with remaining 20 percent of the stock expected to be acquired in November 2007. The press release quotes PepsiAmericas Chairman and CEO Robert C. Pohl as saying, "We're excited to extend our strong partnership with PepsiCo and begin working with the Sandora team and its market-leading brands to capture the growth opportunity in Ukraine."

Sandora, a limited company, was established in 1995 as joint Ukrainian-Lithuanian venture. Today its share of the Ukrainian juice and juice products market is estimated at about 47 percent. The Sandora product line also includes wine, tomato paste, and fruit and vegetable instants – a total of more than 300 items, according to the [company's web site](#). Sandora exports a quarter of its products to 24 countries, accounting for nearly half of Ukrainian juice exports.

The city of Mykolaiv recently adopted an [Economic Development Strategic Plan](#) drafted with assistance from the USAID LED project. The plan focuses on three critical issues including investment attraction. Sandora was polled under a [Business Attitude Survey](#) conducted in Mykolaiv as part of the strategic planning process in 2006.

## Ternopil to Issue UAH 20 Million Worth of Municipal Bonds

[ aug 31 , 2007 ]

[Updated 09/04/2007]



*On this photo from LED files, Vitaliy Luy is making a presentation at the seminar on [Efficient Use of City Resources for Economic Development](#) held in Kyiv on May 23-25, 2007*

[Ternopil](#) is planning to issue municipal bonds at a total value of UAH 20 million in the first quarter 2008, the city hall told the LED Monitor on Wednesday.

"We want to arrange everything by that time to be able to use up the receipts within that year – because of tenders and such other problems sometimes you find it difficult to use money even when you have it," said Vitaliy Luy, Head of the Ternopil Economic Development Department.

The money from bond placement will be most probably used for a road overhaul project. "We have analyzed road construction cost information from previous years and can safely say that these costs tend to grow by 30 percent every year," Mr. Luy explained how the city hopes to benefit from the issuance of municipals. "We'll have to repair roads sooner or later anyway. So it's better to do this now and pay interest than put off the business until future periods."

He estimated the bond yield at 11 percent to 13 percent per year. This estimate corresponds to the range of 10.8 percent to 14 percent within which municipal bond yields presently vary, as stated on the site of [Credit Rating](#), Ukrainian authorized rating agency.

In fact there will be two issues UAH 10 million each, maturing in two and three years, respectively. "We split this UAH 20 million to reduce tax burden on the city budget," the officer said.

Ternopil is about to sign a contract with Credit Rating to rate both the city and the municipals. "Actually, we've already formed the information base they require for their analysis. They promise to have it done in 40 workdays after we provide this information. That is, we can expect the rating in November," Mr. Luy assumed.

Kateryna Mamonova, a leading financial analyst with Credit Rating, confirmed that the contract is likely to be signed in the near future, and that indeed it takes them 40 to 45 workdays to rate an issue. She also pointed out that the Cabinet of Ministers requires having a rating for municipal bonds to be issued.

As for an underwriter, Mr. Luy said they were approached by many banks ready to "buy out the bonds overnight." "We are working on that. Most likely, we'll conduct a tender to select the best option." He also said that, "in principle, working with banks is both cheaper and more reliable [comparing to investment companies]." He added, however, that the tender will be open, and investment companies will be able to take part in it as well.

[Dragon Capital](#), one of Ukraine's leading investment companies, disagrees with the statement that banks are cheaper and more reliable to work with. According to the company's Head of Research Andriy Bezpyatov, "by limiting himself to working with banks, a financial market participant will also limit opportunities to attract investments or borrow funds from other sources, of other type, etc."

He did not exclude that Dragon Capital can bid at the tender in Ternopil; though he said small issues

are typically less appealing to their clients. "Everything depends on conditions: issuer's credit history, his financial stability, borrowing terms and conditions, etc." He also said that Dragon Capital relies on own financial analysis of issuers rather than their rating in making decision on purchase of Ukrainian municipal bonds.

Mr. Luy said Ternopil learned from experience of other cities that had issued municipals, actively communicated with them.

The practice of borrowing by issuing municipal bonds is not well-established in Ukraine yet but seems to be picking up. Ms. Mamonova says cities show keen interest in the business. She mentioned eight cities whose issues were rated by the company, namely Cherkasy, Donetsk, Ivano-Frankivsk, Kharkiv, Komsomolsk, Lutsk, Vinnytsia, and Zaporizhya. The debts are serviced as scheduled, and there has been no redemption trouble thus far, according to the analyst.

According to the Credit Rating web site, in 2003-2006 the State Securities and Stock Market Commission registered 20 internal municipal bond issues at a total value of UAH 633.5 million.

The Economic Development Department was established in Ternopil in September 2006, eight months after the city's Strategic Planning Committee assisted by the USAID LED project had drafted the [Economic Development Strategic Plan](#). The time the plan was introduced into the City Rada happened to fall on the hot time of the electoral campaign, and so it was adopted by the Rada's Executive Committee but has never been approved by Rada members.

Although Mr. Luy was not a member of the committee, he says he is familiarized with the plan very well: "I can say frankly that the Strategic Plan, created before the coming of our team, is of high quality. And you see by the results of our work that we have fulfilled a lot [of what the plan provides for]. I don't mean to say that we're issuing bonds because so is envisaged by the Strategic Plan – the Plan is just consonant to the ideas with which we ran in the elections".

## BUSINESS SUPPORT CENTER OPENED IN PRYLUKY

[ sep 06 , 2007 ]

This is abridged translation of story published in *Vysoky Val*, a Chernihiv newspaper.

Permanent URL of the story (in Ukrainian):

<http://sian-ua.info/index.php?module=pages&act=page&pid=10747>

### **A Business Support Center was opened in Pryluky under the auspices of B.A.T. Ukraine**

The Business Support Center in Pryluky was inaugurated on Sept. 4, 2007. The Center was established with the purpose of providing accounting and legal advice to local entrepreneurs as well as developing their professional skills through relevant workshops.

The founder of the facility is the Pryluky City Rada Economic Development Department. British American Tobacco Ukraine sponsors the new institution by funding the operation of legal and accounting advisors as well as organization and holding of workshops for entrepreneurs to increase the efficiency of their business and customer services. The US Peace Corps has provided furniture, computer equipment, and software.

Individual entrepreneurs and persons wishing to register as such will be able to receive free professional advice in the Center and attend workshops, where professional trainers in business development will share their experience and give profitable advices.

Says B.A.T. Ukraine Deputy Executive Director Oleh Yason:

"Collaboration between the Pryluky community and the company has been going on for a long time, and today's opening of the Center is one more successful example of this collaboration. It is my belief that the Business Support Center operation will be successful, because the practice of operation of similar centers in other Ukrainian regions has proven that they are needed and important."

### **Note**

In September 2005, the Pryluky government with participation of public and business circles in the city and with assistance from the USAID Local Economic Development (LED) project drafted and approved an Economic Development Strategic Plan, which shows long-term development priorities of the local community.

In February 2006, B.A.T. Ukraine signed a Memorandum of Cooperation with the Pryluky community providing for development of long-term partnership between the city and the company in implementation of the Strategic Plan.

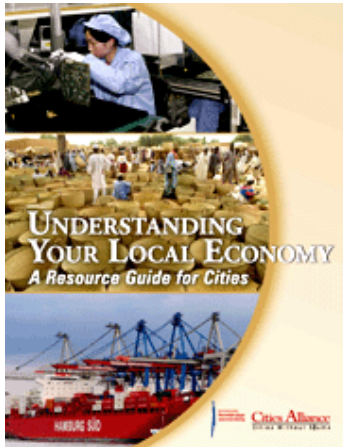
Within the framework of the Strategic Plan, the company together with the Pryluky City Rada Executive Committee and the LED project worked out and began implementing a Municipal Marketing Program. The program provides for creation of a city marketing system to actively attract external investment and foster local business. Major steps in the project include the development and production of printed information materials for investors, creation of a Pryluky web portal, and production of CD's with information on the city. B.A.T. Ukraine provides financial and expert support to the Program.

*B.A.T. Pryluky Press Service, Sept. 5 / 11:10*



## Cities Alliance Publication Features Ivano-Frankivsk

[ sep 10 , 2007 ]



A new publication by the [Cities Alliance](#), *Understanding Your Local Economy: A Resource Guide for Cities*, features [Ivano-Frankivsk](#) as one of its case study cities while addressing "the challenges of analyzing local economic conditions and a city's comparative and competitive advantages."

In its two chapters, providing guides to data analysis tools and strategic frameworks, the publication outlines the SWOT analysis done in the Ukrainian city in the [USAID LED project-guided process of strategic planning](#).

The SWOT analysis is an integral part of the strategic planning methodology employed by the project in more than 50 cities throughout Ukraine.

[The publication is available on the Cities Alliance web site.](#)

The Cities Alliance, according to its web site, is a "global coalition of cities and their development partners committed to scaling up successful approaches to poverty reduction".

## Koryukivka Adopts Strategic Plan

[ sep 18 , 2007 ]

Today the Koryukivka City Rada unanimously voted to adopt a strategy for economic development of this Chernihiv Oblast city. It also set up an Implementation Management Committee to monitor, guide and coordinate implementation of the strategy.

LED Advisor Ihor Parasyuk and independent consultant Valeriy Kokot presented the Economic Development Strategic Plan drafted by an Expert Committee (EC) with assistance from the USAID Local Economic Development project to Rada members. The 40-minute presentation was followed by a brief discussion, which was "very favorable," according to Mr. Parasyuk.

Earlier today, the final draft of the plan was presented at a joint meeting of EC and two standing commissions of the City Rada: financial-budgetary and economic policy. The meeting, which was the fifth and the last for EC, decided to introduce the plan to the Rada.

Koryukivka, a town of just above 14,000 residents, is the fourth municipality in the Chernihiv Oblast, and 28th in Ukraine, where the LED project helped to work out a strategy. The Koryukivka Strategic Plan focuses on three so-called critical issues: SME and labor force development, environment protection, and infrastructure development.

## USAID and IUD Combine Forces for Development of Alchevsk

[ sep 20 , 2007 ]



*Earl Gast, USAID Mission Director:  
"We are not looking at using USAID resources as investing in direct business but actually to support the government here on setting up the right conditions for investment. And some of the conditions include having a good investment climate at the local level, having a government that's committed to good governance, having property infrastructure in place that will attract investors, and also having a good strategic plan for attracting investments"*

On Sept. 14, 2007, USAID, the Industrial Union of Donbas (IUD) corporation, and the Alchevsk City Rada signed a Memorandum of Cooperation aimed at social and economic development of this Luhansk Oblast city.

The document was signed by Alchevsk Mayor Volodymyr Chub, IUD Chairman of the Board Serhiy Taruta, and USAID Mission Director Earl W. Gast. The ceremony took place in the Alchevsk city hall in the presence of Luhansk Oblast Deputy Governor Volodymyr Kryvulya and audience composed of local Rada members and officers, representatives from NGO's, media people, and other interested persons.

According to USAID press release, IUD has established a UAH 15 million (\$3 million) Alchevsk Development Fund, whereas USAID will provide technical assistance based on its various development programs being implemented in Ukraine.

"By this cooperation, the Parties shall seek to develop and implement efficient models to build the city's capacity by jointly implementing projects and programs in the city of Alchevsk," the Memorandum reads.

The document outlines a wide scope of cooperation "on issues of mutual interest." The list of these issues, which begins with devising a plan of economic development for the city, also includes developing the capacity of local governance, improving the investment climate, developing non-governmental organizations and civil society activism, and eleven other issues, mainly in the fields of economy and health care.

(continued on next page)



*Volodymyr Chub, Alchevsk Mayor:  
"The USAID projects give Ukraine concrete, appreciable and positive results. We are interested in implementing this experience in our city"*



*Serhiy Taruta, IUD Chairman of the Board:  
"It's important to mention not any specific results in the nearest future but those opportunities that we will be able to realize through the knowledge acquired. It's like good education that you receive and then can use. The same way here: now we are receiving what can turn into dozens and hundreds of million hryvnias for this city in the long run"*



Addressing the audience before the signing, Mr. Gast said this is the first time that USAID cooperates with "large private industry and city government to concentrate a lot of our resources and a lot of our projects to work on improving governance and also sustainable economic development."

He also explained that one of reasons to choose Alchevsk for such cooperation was that this city "is recognized as the best-governed city in Luhansk [Oblast] with progressive leadership." Another reason was that, two months ago, Mr. Gast met Mr. Taruta to talk about possible cooperation with IUD. "For him and IUD Alchevsk was natural choice," the mission director pointed out.

Speaking at a news conference that followed the ceremony, Messrs. Chub, Taruta, and Gast emphasized that they do not seek immediate return on the resources used but rather the knowledge transfer from USAID to the community that will allow the city to develop small and medium enterprise, attract investment, and eventually raise living standards of its residents in the long run.

In an interview with the LED Monitor, Mr. Taruta formulated his vision of Alchevsk in 15 to 20 years:

"The city will be the best among industrial cities of Ukraine. The whole city will be transformed; it will be green and environmentally clean. There will be opportunities for balanced development of education, culture and sports. I have no doubt of that because, here and today, the fundamentals are laid down, and you are just helping it."

The signing ceremony was preceded by presentations of a number of USAID projects, and was accompanied by an exhibition of the projects set up in the city hall foyer. The USAID Local Economic Development project took part in both of the activities.

The Industrial Union of Donbas, established in 1995, is one of Ukraine's largest companies, according to its [web site](#). The company's main activities include production of steel, rolled stock, steel pipes, coke, and equipment for ferrous metallurgy and by-product coke industry. It is a holding company incorporating more than 40 industrial enterprises in Ukraine and abroad. The [Alchevsk Iron and Steel Works](#) is one of these enterprises.

## Kakhovka Competitiveness Strategy Approved Unanimously

[ sep 28 , 2007 ]

On Sept. 27, 2007, the City Rada of [Kakhovka](#), Kherson Oblast, passed a Strategic Plan for Enhancing Competitiveness drafted with assistance from the USAID Local Economic Development project, the Rada told the LED Monitor on Friday.

According to Kakhovka City Rada Secretary Oleksandr Honcharov, the strategy at the Rada session was presented by Deputy Mayor for Economy Viktor Balabanov. Mr. Honcharov said the voting went smoothly: there were neither amendments nor comments or questions from Rada members after the document had been considered by the Rada's standing committees, and so it was approved unanimously.

The Kakhovka competitiveness strategy is markedly investment-oriented. It comprises three action plans on Investment Products and Prerequisites; Favorable Investment Climate; and City Marketing and Promotion.

Kakhovka is the 29th city that adopted a strategy worked out with the help of the LED project.

## **ANNEX D**

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### **LED SUCCESS STORIES**

## E-SCISSORS FOR RED TAPE

### Vinnytsya is implementing a digital-divide-free E-Government system

There are two things that are ubiquitous and thus stitch the present-day world into one globalized whole, irrespective of ethnic, cultural, religious or other differences. These are the Internet and red tape. And though the latter seems to be invincible, certain applications of the Internet and other information and communication technologies (ICT) can at least ease bureaucratic procedures and help civil servants better serve citizens. The most amazing thing is when a civil servant is a pioneer of such ICT uses.

This is the case in Vinnytsya.



*A visitor is using one of the e-government terminals installed in the Vinnytsya City Hall foyer*



*Vinnytsya Mayor Volodymyr Hroysman is one of most active e-government users*

When the project on implementing individual e-government elements in Vinnytsya was made part of the city's Economic Development Strategic Plan, the idea had already been in the air for some time, initiated by a group of local government officers and NGO leaders and backed by the Mayor. Nonetheless, the project's inclusion in the Strategic Plan, which then became a local law, was important. That helped to justify earmarking money for implementation in the municipal budget and showed the city's commitment to cofinancing when it competed for a grant from the International Renaissance Foundation (IRF). As Vinnytsya Mayor Volodymyr Hroysman put it, "No strategy, no goal."

"What we have built is a G2C [Government-to-Citizen] model," says Vladyslav Telen, head of the Vinnytsya City Rada Information and Analyses Department. "Any person can receive maximally full information on operation of local authorities. Through the Internet or terminals [in the city hall foyer] you can access any non-confidential decision of the City Rada; send a request, application or complaint to any City Hall officer and monitor its progress online; apply to any department for explanation or information and then receive a reply by email or regular mail; obtain information on hospitals, schools, institutions of culture."

In brief, Vinnytsya's e-government system comprises an Internet portal, a City Hall intranet portal, a telephone hot line, and three terminals installed in the City Hall foyer. The latter, in fact, eliminate the so-called "digital divide," i.e., the gap between those who do and don't have access to the Internet. The city intends to install such terminals in every district Rada

and in social security institutions.

The system is continuously under development, with more and more information being added to its database every day. Some of the system's elements are also useful to businesses and investors.

Although Vinnytsya's electronic government is based on the G2C model, it would be useless without a matching Government-to-Government (G2G) component. According to Mr. Hroysman, it allows the local government machine to work more effectively and efficiently. It also increases the responsibility of civil servants. In addition, it is a powerful monitoring and analytical tool.

To implement the system, the city used UAH 400,000 (about \$80,000) from its coffers and about

\$60,000 in grant funds from IRF. Obviously, the Mayor says he wants the system to be used. To this end, its development is promoted in the media and accompanied by training activities. The Vinnytsya Municipal University – a training course for professional development of local government officers, as provided for by the Strategic Plan – will also pay attention to the use of modern information technologies.

As of mid September 2007, a total of 28 cities throughout Ukraine have adopted strategic plans worked out with assistance from the USAID Local Economic Development project, and about 20 more strategies are either pending approval or being drafted.

## **ANNEX E**

### **REPORT ON IPZUS ACTIVITIES – July 2007**

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UKRAINIAN  
LEGAL AID INSTITUTE  
FOR RURAL CITIZENS (IPZUS)

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# **PERFORMANCE REPORT**

## **July 1-31, 2007**

*Submitted to:*  
*Howard Ockman, Chief of Party, LED*

*Submitted by:*  
*P.F. Kulynych, IPZUS Director*  
*August 10, 2007*

## BRIEF OVERVIEW

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### IPZUS management system (personnel, operational activities, finance)

In July 2007, IPZUS worked through one Legal Aid Center (LAC), namely: the Crimean LAC, whose legal services were provided by one lawyer. IPZUS' activities were financed with unspent grant funds given to IPZUS by LED for the March-May, 2007 activity period. On July 1, 2007, IPZUS had to downsize its staff due to a lack of funding. The two central office coordinators for western and eastern parts of Ukraine were let go. Therefore, in July 2007, IPZUS' central office team consisted of the Director, the Deputy Director and the Chief Accountant.

### Legal Aid Program

#### *Summary of Results*

The aggregate results presented below demonstrate its activity of the Crimean LAC for the period of July 1-31, 2007:

As of today, the Crimean LAC has considered 735 cases, which represent interests of 4,515 land owners. They include:

- 146 cases, which were resolved with the help of negotiations by our lawyers;
- 45 cases, which were resolved through written consultations by our lawyers;
- 380 matters, which had their positive resolution through pre-trial settlements of disputes;
- 39 matters were positively resolved in the court.

Four land owners received free legal assistance in this month.

As of today, the Center has also conducted 243 seminars for 4,808 peasants on land ownership rights and problems associated with exercising them.

## QUANTITATIVE RESULTS

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### *Review of Achievements*

In general, during this month, IPZUS achieved the following results:

Task	Action	Task under the Grant	Result	Comments
<b>Legal Aid Program</b>				
1.1 Practical legal assistance to peasants	# of assistance recipients	0	4	
1.2 Seminars for rural population	# of seminars	0	0	
1.3 Work with written addresses	# of written addresses	All submitted	2	
1.4 Documenting success stories	# success stories	1	1	
1.5 Preparation of analytical articles	# of articles	1	1	



### ***Legal Aid Program***

During the reporting period, IPZUS acting through its Legal Aid Center rendered free legal consultations and practical assistance to certain categories of population on the territory of the Autonomous Republic of Crimea (ARC). The IPZUS services include:

- Legal consultations aimed at resolving specific legal problems on the basis of principles of confidentiality.
- Representation of interests of land owners during negotiations with the aim of pre-trial resolution of disputes.
- Representation of land owner interests in courts.
- Field seminars on land ownership and its effective use.

The following tables present a detailed description of July activity results and overall results of Crimean LAC activities (starting with 2004).

## July 2007 results

#	subject matter	Number of cases												
		Total number of requests	Number of persons whose interests are represented in requests	resolution underway		Positively resolved						Number of persons whose cases were positively resolved	Removed from registration list	
				Reporting period	Previous period	In courts		At the pre-trial stage of resolution					Reporting period	Previous period
						Reporting period	Previous period	Reporting period		Previous period				
								Through oral consultations	Through practical follow-up steps	Through oral consultations	Through practical follow-up steps			
1	Exercise of rights to land shares	0	0	0	1	0	0	0	0	0	1	1	0	0
2	Renting land shares	0	0	0	5	0	0	0	0	0	2	2	0	0
3	Land share inheritance, donation, selling, etc.	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Acquiring ownership rights for land plots	1	1	0	0	0	0	1	0	0	0	1	0	0
5	Renting land plots	0	0	0	123	0	0	0	0	0	3	3	0	0
6	Land plot inheritance	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Taxation	0	0	0	2	0	0	0	0	0	0	0	0	0
8	Protection of land owner rights	0	0	0	27	0	0	0	0	0	0	0	0	0
9	Technical aspects of land tenure	3	3	0	0	0	0	3	0	0	0	3	0	0
10	Economic activities	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Land share exchange, sale, mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0
12	Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL :		4	4	0	158	0	0	4	0	0	6	10	0	0

## Overall results of the Crimean LAC

#	subject matter	Number of cases							
		Total number of requests	Number of persons whose interests are represented in requests	Resolution underway	Positively resolved		Number of persons whose cases were positively resolved	Removed from registration list	
					In courts	Pre-trial resolution			
						Through oral consultations			Through practical follow-up steps
1	Excercise of rights to land shares	7	7	1	0	5	1	6	0
2	Renting land shares	354	1,239	5	25	32	288	1,435	4
3	Land share inheritance, donation, selling, etc.	1	1	0	0	1	0	1	0
4	Acquiring ownership rights for land plots	46	330	0	0	21	22	81	3
5	Renting land plots	186	1,141	123	8	14	37	1,022	4
6	Land plot inheritance	7	9	0	0	5	2	9	0
7	Taxation	56	629	2	0	45	8	626	1
8	Protection of land owner rights	56	1,135	27	6	10	13	1,097	0
9	Technical aspects of land tenure	13	13	0	0	5	8	31	0
10	Business activities	5	7	0	0	4	1	7	0
11	Land share exchange, sale, mortgage	4	4	0	0	4	0	4	0
12	Miscellaneous	0	0	0	0	0	0	0	0
TOTAL :		735	4,515	158	39	146	380	4,319	12

## Processing written requests

#	Subject matter	Number of requests	Considered	Under consideration	Removed from registration list
1	Taxation	1	1	0	0
2	Renting land plots	0	0	0	0
3	Renting land shares	0	0	0	0
4	Acquiring ownership rights to land plots	0	0	0	0
5	Exercise of rights to land shares	0	0	0	0
6	Inheriting land plots	0	0	0	0
7	Inheriting land shares	0	0	0	0
8	Technical aspects of land tenure	0	0	0	0
9	Protection of land ownership rights	0	0	0	0
10	Land plot exchange, sale, bequeathing, mortgage (other actions)	1	1	0	0
11	Business activities	0	0	0	0
12	Miscellaneous	0	0	0	0
<b>Total:</b>		<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>

## CRIMEAN LAC SUCCESS STORY

During seminars conducted in the Chornomorske rayon of Crimea, LAC employees were addressed by the Head of the Olenivska Village Council with a request to help land share owners obtain State Acts to Ownership of Land. As it turned out later, the resolution of the Chornomorske Rayon Court prohibited the preparation of State Acts because these lands were located on the land plot which was allotted by the Village Council to Mr. V.Krasylnyk in 1994. In 2002, the village council passed an ordinance to annul the previous resolution, however the court nullified this ordinance and put a ban on the preparation and handing of State Acts instead of Land Certificates.

Having considered the materials presented, the LAC lawyers concluded that despite the fact that the Resolution of the Chornomorske Rayon Court of Crimea of 08.03.2007 took effect more than two years ago, it can be appealed. Therefore, the LAC lawyers, acting on behalf of land share owners, prepared an inquiry to the surveying company with the question about the status of preparation of State Acts. Having received the answer saying that the court considered the rights of land shares without their physical presence, the LAC lawyers acting in compliance with Articles 13 and 292 of the Civilian Code of Ukraine, prepared an appeal case. In addition to this, the question of renewing the term of appeal case, which expired for a reasonable excuse, was considered.

The appeal case indicated that the resolution passed by the court does not comply with Ukrainian legislation, namely:

- The court did not consider the fact that the land plot was allotted for Mr. V.Krasylnyk with violations of Article 9 of the Land Code of Ukraine (1991), and the village council had the right to transfer the land plot only through its allocation.
- The court did not consider the fact that the land plot was permanently used by the Mayak Collective Farm.

Having studied the materials presented, the Crimean Court of Appeals satisfied the claim of land share owners, prolonged the term for appeals and annulled the resolution of the Chornomorske Rayon Court. The case was sent for retrial.

***Unfortunately, in light of closing down its activities, the Crimean LAC will not be able to represent the interests of farmers in the court.***

## **ANNEX F**

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### **REPORT ON IPZUS ACTIVITIES – August 2007**



UKRAINIAN  
LEGAL AID INSTITUTE  
FOR RURAL CITIZENS (IPZUS)

# **PERFORMANCE REPORT**

## **August 1-31, 2007**

*Submitted to:*  
*Howard Ockman, Chief of Party, LED*

*Submitted by:*  
*P.F. Kulynych, IPZUS Director*  
*10 September 2007*

## **BRIEF OVERVIEW**

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### **IPZUS management system (personnel, operational activities, finance)**

In August 2007, the IPZUS worked through one Legal Aid Center (LAC), namely: the Crimean LAC, whose legal services were provided by one lawyer. IPZUS' activities were financed with funds given to IPZUS under the framework of the LED grant agreement for March-May, 2007 that were not spent during the period. In August 2007, the IPZUS Central Office consisted of 3 persons: Director, Deputy Director and Chief Accountant.

In August, IPZUS initiated the liquidation process for the NGO. On August 10, 2007, IPZUS' founders, such as the Ukrainian Agrarian Confederation and Association of Farmers and Land Owners, made a decision to close down the organisation. Following this decision, IPZUS identified a law firm to enter into agreement with the Local Economic Development Project to provide IPZUS with legal services associated with its liquidation. On August 30, 2007, the State Registrar of the Shevchenkivskyi rayon of the city of Kyiv passed a decision to publish an official statement on the liquidation of IPZUS.

### **Fundraising**

In view of the liquidation of the IPZUS, fundraising activities were not performed in August of 2007.

### **Legal Aid Program**

#### ***Summary of Results***

Over the period of June 1 through August 31, 2007, the Legal Aid Program management team have been constantly collecting and checking data from the Crimean LAC. The aggregate results presented below demonstrate its activity for the period of August 1-31, 2007:

The Crimean LAC has considered 742 cases, which represent interests of 4,522 peasants. They include:

- 153 cases, which were resolved with the help of oral consultations by our lawyers;
- 45 cases, which were resolved through written consultations by our lawyers;
- 538 cases, which had their positive resolution through pre-trial settlements of disputes;
- 39 cases were positively resolved in the court.

Seven land owners received free legal assistance in August 2007.

Since the day it opened its doors, the Center has conducted 243 seminars for 4,808 peasants on land ownership rights and problems associated with exercising them.



## QUANTITATIVE RESULTS

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### *Review of Achievements*

In general, during this month, IPZUS achieved the following results:

Task	Action	Task under the Grant	Result	Comments
<b>Legal Aid Program</b>				
1.1 Practical legal assistance to peasants	# of assistance recipients	0	7	
1.2 Seminars for rural population	# of seminars	0	0	
1.3 Work with written addresses	# of written addresses	All submitted	0	
1.4 Documenting success stories	# success stories	1	1	
1.5 Preparation of analytical articles	# of articles	0	0	

### *Legal Aid Program*

Over the period of June 1 through August 31, 2007, IPZUS acting through its Legal Aid Center rendered free legal consultations and practical assistance to certain categories of population on the territory of the Autonomous Republic of Crimea (ARC). IPZUS' services include:

- Legal consultations aimed at resolving specific legal problems on the basis of principles of confidentiality.
- Representation of interests of land owners during negotiations with the aim of pre-trial resolution of disputes.
- Representation of land owner interests in courts.
- Field seminars on land ownership and its effective use.

The following tables present a detailed description of August activity results and overall results of activities of the Crimean Lac (since 2004).

## August 2007 results

#	subject matter	Number of cases												
		Total number of requests	Number of persons whose interests are represented in requests	Resolution underway		Positively resolved						Number of persons whose cases were positively resolved	Removed from registration list	
				Reporting period	Previous period	In courts		At the pre-trial stage of resolution					Reporting period	Previous period
						Reporting period	Previous period	Reporting period		Previous period				
								Through oral consultations	Through practical follow-up steps	Through oral consultations	Through practical follow-up steps			
1	Exercise of rights to land shares	0	0	0	0	0	0	0	0	0	1	1	0	0
2	Renting land shares	3	3	0	0	0	0	3	0	0	5	8	0	0
3	Land share inheritance, donation, selling, etc.	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Acquiring ownership rights for land plots	2	2	0	0	0	0	2	0	0	0	2	0	0
5	Renting land plots	0	0	0	0	0	0	0	0	0	123	123	0	0
6	Land plot inheritance	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Taxation	0	0	0	0	0	0	0	0	0	2	2	0	0
8	Protection of land owner rights	0	0	0	0	0	0	0	0	0	27	27	0	0
9	Technical aspects of land tenure	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Economic activities	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Land share exchange, sale, mortgage	2	2	0	0	0	0	2	0	0	0	2	0	0
12	Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL :		7	7	0	0	0	0	7	0	0	158	165	0	0

**Overall results of the Crimean LAC (since the time it was established thru August 2007):**

#	subject matter	Number of cases							
		Total number of requests	Number of persons whose interests are represented in requests	Reso- lution under way	Positively resolved		Number of persons whose cases were positively resolved	Removed from registration list	
					In courts	Pre-trial resolution			
						Through oral consultations			Through practical follow-up steps
1	Exercise of rights to land shares	7	7	0	0	5	2	7	0
2	Renting land shares	357	1,242	0	25	35	293	1,443	4
3	Land share inheritance, donation, selling, etc.	1	1	0	0	1	0	1	0
4	Acquiring ownership rights for land plots	48	332	0	0	23	22	83	3
5	Renting land plots	186	1,141	0	8	14	160	1,145	4
6	Land plot inheritance	7	9	0	0	5	2	9	0
7	Taxation	56	629	0	0	45	10	628	1
8	Protection of land owner rights	56	1,135	0	6	10	40	1,124	0
9	Technical aspects of land tenure	13	13	0	0	5	8	31	0
10	Business activities	5	7	0	0	4	1	7	0
11	Land share exchange, sale, mortgage	6	6	0	0	6	0	6	0
12	Miscellaneous	0	0	0	0	0	0	0	0
TOTAL :		742	4,522	0	39	153	538	4,484	12

**CRIMEAN LAC SUCCESS STORY**

In March 2007, the Crimean Legal Aid Center was addressed by Ms. V. Novikova, a resident of the Rovinska Village Council of the Krasnohvardiyske Rayon of the Autonomous Republic of Crimea (ARC), with a request for consultation and assistance in inheritance matters.

The examination of the case revealed the fact that the person who addressed the LAC inherited (according to the will) an agricultural land plot located on the territory of the Rovinska Village Council of the Krasnohvardiyske rayon of ARC. At the same time it turned out that Ms. V. Novikova missed the deadline for inheriting the plot since she learned about the death of the deviser who died in the asylum for the elderly located in the Bakhchysarai rayon of ARC only a year later.

The LAC lawyers provided consultations to the Ms. Novikova, explained the procedures for reinstituting the term for inheritance rights and recommended to address the local court, namely the Bakhchysarai Rayon Court of ARC, with the request to reinstitute the term for inheritance rights. The LAC lawyers prepared a full package of documents and court petition for Ms. Novikova who defended her rights in the court on her own. On July 18, 2007, the local Bakhchysarai Rayon Court of ARC, having taken into consideration all materials related to the case and explanations of the claimant, made a decision, which reinstituted Ms. V. Novikova's term for inheritance rights, thus enabling her to enjoy full rights to the inherited land share.